

104TH CONGRESS
1ST SESSION

H. R. 30

To amend and extend certain laws relating to housing and community development, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 4, 1995

Mr. GONZALEZ (for himself, Mr. VENTO, Mr. SCHUMER, Mr. FRANK of Massachusetts, Mr. KANJORSKI, Mr. KENNEDY of Massachusetts, Mr. MFUME, Ms. WATERS, Mr. GUTIERREZ, Ms. ROYBAL-ALLARD, Mr. BARRETT of Wisconsin, Mr. WATT, Mr. HINCHEY, Mr. SANDERS, Mr. RUSH, and Ms. FURSE) introduced the following bill; which was referred to the Committee on Banking and Financial Services

A BILL

To amend and extend certain laws relating to housing and community development, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Housing and Community Development Act of 1995”.

6 (b) TABLE OF CONTENTS.—The table of contents for
7 this Act is as follows:

- Sec. 1. Short title and table of contents.
- Sec. 2. Effective date.

TITLE I—HOUSING ASSISTANCE

Subtitle A—Public and Indian Housing

- Sec. 101. Definition of families.
- Sec. 102. Family self sufficiency program.
- Sec. 103. Public housing rent reform.
- Sec. 104. Sale of public housing to nonprofit intermediaries.
- Sec. 105. Repeal of least-cost limitation on public housing new construction.
- Sec. 106. Regulatory relief and paperwork reduction for high-performing public housing agencies.
- Sec. 107. Designated housing.
- Sec. 108. Eligible uses of emergency modernization funds.
- Sec. 109. Use of modernization funds for replacement housing.
- Sec. 110. Authority for public housing agencies to leverage amounts for replacement and modernization.
- Sec. 111. Demolition and disposition of public housing.
- Sec. 112. Revitalization of severely distressed public housing.
- Sec. 113. Applicability of public housing amendments to Indian housing.
- Sec. 114. Sale of certain scattered-site public housing.
- Sec. 115. Community Partnerships Against Crime.
- Sec. 116. Public housing resident opportunity.

Subtitle B—Section 8 Rental Assistance

- Sec. 121. Merger of section 8 rental assistance programs.
- Sec. 122. Incentives to refinance high interest rate mortgages.
- Sec. 123. Use of excess residual receipts.
- Sec. 124. Renewal of section 8 contracts.
- Sec. 125. Treatment of certain projects.

Subtitle C—Homeownership Programs

- Sec. 131. National Homeownership Fund.
- Sec. 132. Section 235 mortgage refinancing.
- Sec. 133. Residential lead-based paint hazard reduction.
- Sec. 134. Federal Deposit Insurance Corporation affordable housing program.
- Sec. 135. State agencies as sureties.

Subtitle D—Home Investment Partnerships

- Sec. 141. Eligible use of investment.
- Sec. 142. Qualification as affordable rental housing.
- Sec. 143. Repayment of investment.
- Sec. 144. Matching requirements.
- Sec. 145. Labor requirements.

Subtitle E—Supportive Housing Programs

- Sec. 151. Supportive housing for the elderly.
- Sec. 152. Supportive housing for persons with disabilities.
- Sec. 153. Revised congregate services.
- Sec. 154. Supportive housing assistance for elderly independence.

Subtitle F—Mortgage Insurance and Secondary Mortgage Market

- Sec. 161. Extension of multifamily housing mortgage auction provisions.
- Sec. 162. Streamlined refinancing for HUD-held mortgages.

- Sec. 163. Delegation of single family mortgage insuring authority to direct endorsement mortgages.

TITLE II—COMMUNITY DEVELOPMENT

- Sec. 201. Eligible activities.
- Sec. 202. Reallocations.
- Sec. 203. Use of UDAG recaptures.
- Sec. 204. Extension of certain CDBG assistance.
- Sec. 205. Colonias assistance program.
- Sec. 206. Youth build program.

TITLE III—HOMELESS ASSISTANCE

- Sec. 301. Short title.

Subtitle A—Reorganization of Certain McKinney Act Housing Provisions

- Sec. 311. Flexible grant program.
- Sec. 312. Regulations and transition provisions.
- Sec. 313. Report on single occupancy assistance.

Subtitle B—Other Housing Assistance Programs for the Homeless Under McKinney Act

- Sec. 321. Section 8 assistance for single room occupancy dwellings.
- Sec. 322. Section 8 assistance for shelter plus care single room occupancy dwellings.
- Sec. 323. Rural homelessness grant program.
- Sec. 324. Clerical amendment.

Subtitle C—Miscellaneous Homeless Housing Provisions

- Sec. 331. Strategy to eliminate unfit transient facilities.

TITLE IV—RURAL HOUSING PROGRAMS

- Sec. 401. Program authorizations.
- Sec. 402. Eligibility of Native Americans for rural housing programs.
- Sec. 403. Escrow fund.
- Sec. 404. Section 502 homeownership loans.
- Sec. 405. Loan guarantees.
- Sec. 406. Prepayment of rural rental housing loans.
- Sec. 407. Designation of underserved areas and reservation of assistance.
- Sec. 408. Administrative appeals.
- Sec. 409. Section 515 rural rental housing.
- Sec. 410. Optional conversion of rental assistance payments to operating subsidy for migrant farmworker projects.
- Sec. 411. Definition of rural area.
- Sec. 412. Priority for rural housing voucher assistance.
- Sec. 413. Loan guarantees for multifamily rental housing in rural areas.

TITLE V—AUTHORIZATIONS OF APPROPRIATIONS

- Sec. 501. Low-income housing authorization.
- Sec. 502. Public housing operating subsidies.
- Sec. 503. Indian housing loan guarantees.
- Sec. 504. New construction of projects for disabled families.

- Sec. 505. Emergency modernization funds.
- Sec. 506. Family investment centers.
- Sec. 507. Service coordinators.
- Sec. 508. Community partnerships against crime.
- Sec. 509. Early childhood development program.
- Sec. 510. Section 8 new construction and substantial rehabilitation contract re-
newals.
- Sec. 511. Housing counseling.
- Sec. 512. Headquarters reserve.
- Sec. 513. Supportive housing for the elderly and persons with disabilities.
- Sec. 514. Congregate services.
- Sec. 515. Supportive housing assistance for elderly independence.
- Sec. 516. Housing opportunities for persons with AIDS.
- Sec. 517. National Homeownership Fund.
- Sec. 518. Low-income housing preservation.
- Sec. 519. Flexible subsidy program.
- Sec. 520. Home investment partnerships.
- Sec. 521. Community investment demonstration program.
- Sec. 522. Youthbuild program.
- Sec. 523. Community development block grant and section 108 loan guaran-
tees.
- Sec. 524. Economic development grants.
- Sec. 525. Neighborhood Reinvestment Corporation.
- Sec. 526. John Heinz neighborhood development program.
- Sec. 527. Colonias assistance program.
- Sec. 528. New towns demonstration program for emergency relief of Los Ange-
les.
- Sec. 529. FHA mortgage insurance aggregate limit.
- Sec. 530. GNMA mortgage-backed securities guarantee limit.
- Sec. 531. Exclusion of GNMA from HUD personnel ceilings.
- Sec. 532. HUD research and development.
- Sec. 533. Residential lead-based paint hazard reduction.
- Sec. 534. Fair housing initiatives program.
- Sec. 535. National American Indian Housing Council.
- Sec. 536. Housing Assistance Council.
- Sec. 537. Flexible block grant assistance under Stewart B. McKinney Homeless
Assistance Act.
- Sec. 538. Section 8 assistance for single room occupancy dwellings.
- Sec. 539. Section 8 assistance for shelter plus care single room occupancy
dwellings.
- Sec. 540. Rural homelessness program.
- Sec. 541. Interagency Council on the Homeless.
- Sec. 542. Chairperson of Interagency Council on Homeless.
- Sec. 543. Extension of Interagency Council on the Homeless.
- Sec. 544. Federal Emergency Management Agency food and shelter program.

1 **SEC. 2. EFFECTIVE DATE.**

2 The provisions of this Act and the amendments made
 3 by this Act shall take effect and shall apply upon the date
 4 of the enactment of this Act, unless such provisions or

1 amendments specifically provide for effectiveness or appli-
2 cability upon another date certain.

3 **TITLE I—HOUSING ASSISTANCE**

4 **Subtitle A—Public and Indian Housing**

5 **SEC. 101. DEFINITION OF FAMILIES.**

6 The first sentence of section 3(b)(3)(B) of the United
7 States Housing Act of 1937 (42 U.S.C. 1437a(b)(3)) is
8 amended by inserting “or, in the case of disabled families,
9 other household members” after “spouses”.

10 **SEC. 102. FAMILY SELF-SUFFICIENCY PROGRAM.**

11 (a) SCOPE.—Section 23(b)(3) of the United States
12 Housing Act of 1937 (42 U.S.C. 1437u(b)(3)) is amended
13 to read as follows:

14 “(3) SCOPE.—Each public housing agency re-
15 quired to carry out a local program under this sec-
16 tion shall make assistance under the program avail-
17 able in a fiscal year, subject only to the availability
18 of amounts for such assistance, to a number of fami-
19 lies who are assisted by the agency under section 8
20 or reside in public housing of the agency that is
21 equivalent to the sum of—

22 “(A) the increase for such year in the
23 number of families assisted under section 8 (as
24 compared to the preceding year); and

1 “(B) the increase for such year in the
2 number of public housing dwelling units made
3 available by the agency (as compared to the
4 preceding year).”.

5 (b) VOLUNTARY ESCROW SAVINGS ACCOUNT.—Sec-
6 tion 23(d) of the United States Housing Act of 1937 (42
7 U.S.C. 1437u(d)) is amended—

8 (1) in paragraph (2)—

9 (A) in the 1st sentence, by striking “shall”
10 and inserting “may”;

11 (B) in the 2d sentence, by inserting after
12 “area median income” the following: “that
13 choose to escrow amounts under this para-
14 graph”;

15 (C) in the 2d sentence, by striking “shall”
16 and inserting “may”; and

17 (D) by striking the 3d and 4th sentences
18 and inserting the following new sentence:
19 “Amounts in the escrow account may be with-
20 drawn by the participating family upon the suc-
21 cessful performance of the obligations of the
22 family under the contract of participation en-
23 tered into by the family under subsection (c), as
24 determined according to the specific goals and
25 terms included in the contract, and under other

1 circumstances, as determined by the public
2 housing agency with the approval of the Sec-
3 retary.”; and

4 (2) by striking the 2d sentence of paragraph
5 (3) and inserting the following new sentence: “The
6 plan may require the establishment of escrow sav-
7 ings accounts under paragraph (2), a description of
8 the procedures for release of escrowed amounts, and
9 any other incentives designed by the public housing
10 agency.”.

11 (c) SERVICE COORDINATORS.—Section 23 of the
12 United States Housing Act of 1937 (42 U.S.C. 1437u)
13 is amended—

14 (1) in the last sentence of subsection (b)(1), by
15 inserting “under section 671 of the Housing and
16 Community Development Act of 1992” after “serv-
17 ice coordinator”; and

18 (2) in subsection (h)—

19 (A) in paragraph (2), by striking “(includ-
20 ing the costs of employing a full-time service co-
21 ordinator)”; and

22 (B) by adding at the end the following new
23 paragraph:

24 “(3) CONTRACT ADJUSTMENTS FOR SERVICE
25 COORDINATORS.—If, in providing rental assistance

1 under section 8 of the United States Housing Act of
2 1937 for a public housing agency carrying out a
3 local program under this section in any fiscal year,
4 the Secretary increases the amount provided for the
5 agency so that the number of families assisted by
6 the agency in the year is greater than the number
7 of families assisted in the preceding year, the Sec-
8 retary may increase the amount annually provided
9 for the agency to provide for the costs of employing
10 or otherwise retaining the services of one or more
11 service coordinators referred to in subsection (b)(1)
12 of this section. The Secretary may also, under any
13 existing contract for assistance under section 8, in-
14 clude the cost of employing such service coordinators
15 to the extent that amounts for amendments to such
16 contracts are available.”.

17 (d) REPEAL OF INCENTIVE AWARD ALLOCATION.—
18 Section 23 of the United States Housing Act of 1937 (42
19 U.S.C. 1437u) is amended—

20 (1) by striking subsection (i); and

21 (2) by redesignating subsections (j) through (o)
22 as subsections (i) through (n), respectively.

23 (e) TECHNICAL AMENDMENT.—Section 23(h)(2) of
24 the United States Housing Act of 1937 (42 U.S.C.
25 1437u(h)(2)) is amended by striking the last sentence.

1 (f) USE OF COMMUNITY ACTION AGENCIES.—Section
 2 23(b) of the United States Housing Act of 1937 (42
 3 U.S.C. 1437u(b)) is amended by adding at the end the
 4 following new paragraph:

5 “(5) USE OF COMMUNITY ACTION AGENCIES.—
 6 A public housing agency may enter into agreements
 7 with any local community action agency receiving as-
 8 sistance under the Community Services Block Grant
 9 Act providing for such agency to carry out the local
 10 program of the public housing agency or to provide
 11 any supportive services under the local program.”.

12 **SEC. 103. PUBLIC HOUSING RENT REFORM.**

13 (a) CEILING RENTS.—Section 3(a)(2) of the United
 14 States Housing Act of 1937 (42 U.S.C. 1437a(a)(2)) is
 15 amended—

16 (1) in subparagraph (A)—

17 (A) in clause (i), by striking “and ap-
 18 proved by the Secretary”; and

19 (B) by striking clause (iii) and inserting
 20 the following new clause:

21 “(iii) at the election of such agency, is—

22 “(I) not less than the average monthly
 23 amount of debt service and operating expenses
 24 attributable to dwelling units of similar size in

1 public housing projects owned and operated by
2 such agency;

3 “(II) not less than the reasonable rental
4 value of the unit, as determined by the agency;
5 or

6 “(III) not less than the local market rent
7 determined by the agency for comparable units
8 of similar size pursuant to the procedures pre-
9 scribed by the Secretary for determining rent
10 reasonableness under the program for rental
11 certificate assistance under section 8(b).”;

12 (2) by redesignating subparagraph (B) as sub-
13 paragraph (D); and

14 (3) by inserting after subparagraph (A) the fol-
15 lowing new subparagraphs:

16 “(B) Any ceiling rents established by a public housing
17 agency pursuant to this paragraph may be adjusted by
18 the agency.

19 “(C)(i) Any ceiling rents established pursuant to
20 subclause (I) or (III) of subparagraph (A)(iii) shall take
21 effect at the discretion of the public housing agency.

22 “(ii) Any ceiling rents established pursuant to
23 subclause (II) of subparagraph (A)(iii) may not take effect
24 before the issuance of regulations to carry out such
25 subclause, which shall be issued by the Secretary not later

1 than 180 days after the date of the enactment of the
2 Housing and Community Development Act of 1994.

3 “(iii) Before the effectiveness of regulations under
4 clause (ii), an agency may implement ceiling rents which
5 shall be equal to the 95th percentile of the rent paid for
6 a unit of comparable size by tenants in the same project
7 or a group of comparable projects totaling 50 units or
8 more.”.

9 (b) EXCLUSIONS FROM ADJUSTED INCOME.—Sec-
10 tion 3(b)(5) of the United States Housing Act of 1937
11 (42 U.S.C. 1437a(b)(5)) is amended—

12 (1) in subparagraph (C)—

13 (A) by striking “and” before “(ii)”; and

14 (B) by inserting before the semicolon at
15 the end the following: “; and (iii) to the extent
16 documented by the family, the amount paid by
17 the family for health insurance coverage and
18 any other nonreimbursed out-of-pocket medical
19 expenses for any members of the family resid-
20 ing in the household who, at the time, are not
21 receiving or approved to receive any assistance
22 for health care from the Federal Government or
23 any State government, except that this clause
24 shall apply only to families residing in public
25 housing”;

1 (2) in subparagraph (E), by inserting before the
2 semicolon at the end the following: “, except that in
3 the case of a family residing in public housing the
4 amount excluded under this subparagraph shall be
5 20 percent of the earned income of the family re-
6 maining after excluding any amounts pursuant to
7 subparagraph (H)”;

8 (3) in subparagraph (F), by striking “and” at
9 the end;

10 (4) in subparagraph (G), by striking the period
11 at the end and inserting “; and”; and

12 (5) by adding at the end the following new sub-
13 paragraphs:

14 “(H) in the case of a family residing in public
15 housing, any earned income of any formerly depend-
16 ent child who is a member of the family residing in
17 the family’s dwelling unit during the period begin-
18 ning on the date of the first redetermination of the
19 rent for and family composition of the family that
20 occurs after the child reaches 18 years of age and
21 ending upon the date of the first such redetermina-
22 tion occurring after he or she reaches 21 years of
23 age.”.

1 (c) EXCLUSION OF EARNED INCOME OF RESIDENTS
2 WHO OBTAIN EMPLOYMENT FROM RENT DETERMINA-
3 TIONS.—

4 (1) IN GENERAL.—Section 3(a) of the United
5 States Housing Act of 1937 (42 U.S.C. 1437a(a)) is
6 amended—

7 (A) in the third sentence of paragraph (1),
8 by striking “paragraph (2)” and inserting
9 “paragraphs (2) and (3)”; and

10 (B) by adding at the end the following new
11 paragraph:

12 “(3) EXCLUSION OF EARNED INCOME FROM RENT
13 DETERMINATION FOR FAMILIES PREVIOUSLY UNEM-
14 PLOYED.—Notwithstanding any other provision of law, a
15 public housing agency shall provide that, for all units in
16 public housing administered by the agency, the rent pay-
17 able under subsection (b) for any such unit occupied by
18 a family whose income increases as a result of employment
19 of a member of the family who was previously unemployed
20 for 1 or more years, may not—

21 “(A) be increased as a result of the increased
22 income due to such employment during the period
23 that begins upon the commencement of such employ-
24 ment and ends upon the second annual redetermina-

1 tion of the rent for and family composition of the
2 family occurring thereafter;

3 “(B) during any 12-month period occurring
4 during the 36 months succeeding the expiration of
5 the period under subparagraph (A) for the family,
6 be increased due to the continued employment of
7 such family member by more than one-third of the
8 difference between (i) the rent being paid by the
9 family upon expiration of such period, and (ii) the
10 amount of rent that the family would pay but for
11 the applicability of this paragraph; and

12 “(C) in any case, exceed the amount determined
13 under paragraph (1) or (2).”.

14 (d) EXCLUSION FROM INCOME OF EARNINGS FROM
15 JOB TRAINING AND SELF-SUFFICIENCY PROGRAMS.—
16 Section 3 of the United States Housing Act of 1937 (42
17 U.S.C. 1437a) is amended—

18 (1) in subsection (b)(4), by inserting before the
19 period at the end the following: “, and except that
20 the earnings of and benefits to any resident of public
21 housing or any unit assisted under section 8 result-
22 ing from enrollment and participation in a program
23 providing employment training and supportive serv-
24 ices in accordance with the Family Support Act of
25 1988, section 22 of this Act, the Job Training Part-

1 nership Act, Subtitle D of title IV of the Cranston-
2 Gonzalez National Affordable Housing Act, part F
3 of title IV of the Social Security Act, or any com-
4 parable Federal, State, or local law shall not be con-
5 sidered as income for the purposes of determining a
6 limitation on the amount of rent paid by the resi-
7 dent during the period that the resident enrolls and
8 participates in such program''; and

9 (2) by striking the undesignated paragraph at
10 the end of subsection (c)(3) (as added by section
11 515(b) of the Cranston-Gonzalez National Afford-
12 able Housing Act).

13 (3) Section 957 of the Cranston-Gonzalez Na-
14 tional Affordable Housing Act is hereby repealed.

15 (e) APPLICABILITY.—Notwithstanding the amend-
16 ments made by this section, any resident of public housing
17 participating in the program under the authority con-
18 tained in the undesignated paragraph at the end of section
19 3(c)(3) of the United States Housing Act of 1937 (as
20 added by section 515(b) of the Cranston-Gonzalez Na-
21 tional Affordable Housing Act (Public Law 101–625; 104
22 Stat. 4199)), as such paragraph existed before the date
23 of enactment of this Act, shall continue to be governed
24 by such authority.

1 (f) PERFORMANCE FUNDING SYSTEM.—Section
2 9(a)(3)(B) of the United States Housing Act of 1937 (42
3 U.S.C. 1437g(a)(3)(B)) is amended—

4 (1) in clause (iv), by striking “and” at the end;

5 (2) in (v), by striking the period at the end and
6 inserting a semicolon; and

7 (3) by adding at the end the following new
8 clause:

9 “(vi) the amount of any reduced revenue result-
10 ing from the exclusion of income of public housing
11 residents pursuant to section 3(b)(5)(E) shall be cal-
12 culated and included in the amount of the payment
13 received under this section by the public housing
14 agency administering the public housing in which
15 such residents reside;”.

16 (g) EFFECTIVE DATE.—The amendments under this
17 section shall take effect on October 1, 1995.

18 (h) REGULATIONS.—The Secretary shall issue any
19 final regulations necessary to implement the amendments
20 made by this section, which shall take effect on October
21 1, 1995. The regulations shall be issued after notice and
22 opportunity for public comment in accordance with the
23 procedures under section 553 of title 5, United States
24 Code, applicable to substantive rules (notwithstanding
25 subsections (a)(2), (b)(B), and (d)(3) of such section).

1 **SEC. 104. SALE OF PUBLIC HOUSING TO NON-PROFIT**
2 **INTERMEDIARIES.**

3 The first sentence of section 5(h) of the United
4 States Housing Act of 1937 (42 U.S.C. 1437c(h)) is
5 amended by striking “its lower income tenants” and in-
6 serting: “low-income families residing in public housing or
7 to non-profit organizations for resale to low-income fami-
8 lies residing in public housing”.

9 **SEC. 105. REPEAL OF LEAST-COST LIMITATION ON PUBLIC**
10 **HOUSING NEW CONSTRUCTION.**

11 Section 6 of the United States Housing Act of 1937
12 (42 U.S.C. 1437d) is amended by striking subsection (h).

13 **SEC. 106. REGULATORY RELIEF AND PAPERWORK REDUC-**
14 **TION FOR HIGH-PERFORMING PUBLIC HOUS-**
15 **ING AGENCIES.**

16 (a) WAIVER OF RULES AND REPORTS.—Section 6(j)
17 of the United States Housing Act of 1937 (42 U.S.C.
18 1437d(j)) is amended by adding at the end the following
19 new paragraph:

20 “(5)(A) Except as provided in subparagraph (B), the
21 Secretary may, for public housing agencies designated
22 pursuant to this subsection as high performing public
23 housing agencies with respect to a fiscal year, waive (by
24 regulation issued under subparagraph (C)) the applicabil-
25 ity for the ensuing fiscal year of regulatory requirements
26 otherwise applicable to public housing agencies to the ex-

1 tent appropriate, as determined by the Secretary, to facili-
2 tate more efficient operation of such agencies.

3 “(B) The Secretary may not waive the applicability
4 of any provision—

5 “(i) limiting occupancy of public housing to
6 low-income families;

7 “(ii) under section 18 requiring replacement of
8 units in the case of demolition or disposition;

9 “(iii) under the Uniform Relocation Assistance
10 and Real Property Acquisition Policies Act of 1970;

11 “(iv) that prohibits, or the purpose of which is
12 to protect persons against, discrimination on the
13 basis of race, color, religion, sex, marital status, na-
14 tional origin, age, or handicap, or that relates to fair
15 housing or equal opportunity; or

16 “(v) under chapter 75 of title 31, United States
17 Code.

18 “(C) During fiscal year 1995, the Secretary shall
19 publish in the Federal Register a proposed rule providing
20 for the waiver of the regulations to be waived pursuant
21 to this paragraph and identifying such regulations. The
22 Secretary shall publish such proposed rule at a time deter-
23 mined by the Secretary to be sufficient to provide notice
24 and an opportunity for public comment before issuance of

1 a final rule under this paragraph. Such final rule shall
2 be issued not later than August 31, 1995.’’.

3 (b) RETENTION BY PHA’S OF SAVINGS FROM EFFI-
4 CIENT MANAGEMENT.—Section 6(e) of the United States
5 Housing Act of 1937 (42 U.S.C. 1437d(e)) is amended
6 to read as follows:

7 “(e) TREATMENT OF SAVINGS.—

8 “(1) IN GENERAL.—Any income generated by a
9 high-performing public housing agency that exceeds
10 the income estimated by the agency to be generated,
11 according to the agency’s annual operating budget,
12 shall be excluded in subsequent years in calculating
13 the amount of the operating subsidy provided under
14 section 9 to the high-performing public housing
15 agency. Such savings shall be retained by the agency
16 for other housing purposes.

17 “(2) HIGH-PERFORMING PUBLIC HOUSING
18 AGENCY.—For purposes of paragraph (1), the term
19 ‘high-performing public housing agency’ means, with
20 respect to a year, a public housing agency that has
21 been designated pursuant to subsection (j) as a high
22 performing public housing agency for the last fiscal
23 year ending before the commencement of such
24 year.’’.

1 **SEC. 107. DESIGNATED HOUSING.**

2 Section 7(e)(1) of the United States Housing Act of
3 1937 (42 U.S.C. 1437e(e)(1)) is amended—

4 (1) in the first sentence, by striking “and the
5 Secretary approves an application under this sub-
6 section for such designation”; and

7 (2) in the second sentence, by inserting before
8 the period at the end the following: “, which shall
9 provide that an application for a project (or portion
10 of a project) shall be submitted and considered for
11 approval in conjunction with submission and ap-
12 proval of the allocation plan for the project (or por-
13 tion) under section 7(f)”.

14 **SEC. 108. ELIGIBLE USES OF EMERGENCY MODERNIZATION**
15 **FUNDS.**

16 Section 14(k)(1) of the United States Housing Act
17 of 1937 (42 U.S.C. 1437l(k)(1)) is amended—

18 (1) in the first sentence, by striking
19 “\$75,000,000” and inserting “\$50,000,000”; and

20 (2) by adding at the end the following new sen-
21 tence: “The Secretary shall make any amounts re-
22 served under this paragraph for any fiscal year that
23 remain unobligated on September 1 of such fiscal
24 year available for modernization needs in connection
25 with the settlement of litigation and desegregation of
26 public housing. Of the amounts reserved each year

1 under this paragraph, the Secretary shall make
2 available to the Inspector General of the Department
3 of Housing and Urban Development not more than
4 \$5,000,000 for cost in connection with efforts to
5 combat violent crime in public housing. Using
6 amounts made available pursuant to the preceding
7 sentence during fiscal years 1995 and 1996, the Sec-
8 retary shall provide amounts in each such fiscal year
9 for the continuation of the drug elimination activi-
10 ties under Project Nos. IA05PO98003004 and
11 IA05DEP0980193.”.

12 **SEC. 109. USE OF MODERNIZATION FUNDS FOR REPLACE-**
13 **MENT HOUSING.**

14 (a) IN GENERAL.—Section 14 of the United States
15 Housing Act of 1937 (42 U.S.C. 1437l) is amended by
16 adding at the end the following new subsection:

17 “(q) USE OF AMOUNTS FOR REPLACEMENT HOUS-
18 ING.—

19 “(1) AUTHORITY.—A public housing agency
20 may use assistance under this section to provide re-
21 placement housing as required by section 18 by de-
22 veloping or acquiring additional housing under this
23 Act, in accordance with requirements applicable to
24 the development of public housing, but only if the
25 cost of providing such housing (not including costs

1 of demolition) is more cost effective than the cost of
2 modernization of the housing proposed to be re-
3 placed.

4 “(2) LIMITATION ON AMOUNT.—In any fiscal
5 year, a public housing agency may use not more
6 than 50 percent of any assistance provided to the
7 agency under this section for the fiscal year for pro-
8 viding replacement housing pursuant to this section.

9 “(3) REQUIREMENTS.—A public housing agen-
10 cy may use assistance under this section as provided
11 in subsection (a) only if the replacement plan of the
12 agency, required under section 18, has been ap-
13 proved by the Secretary.”.

14 (b) AVAILABLE REPLACEMENT HOUSING.—Section
15 14(c)(1) of the United States Housing Act of 1937 is
16 amended by inserting before the semicolon the following:
17 “or, only in the case of assistance used as provided under
18 subsection (q), housing or units in housing owned (or
19 leased for a period to be determined by the Secretary) by
20 a partnership of a public housing agency and other entity
21 in which the agency has a controlling interest”.

1 **SEC. 110. AUTHORITY FOR PUBLIC HOUSING AGENCIES TO**
2 **LEVERAGE AMOUNTS FOR REPLACEMENT**
3 **AND MODERNIZATION.**

4 Section 14 of the United States Housing Act of 1937
5 (42 U.S.C. 1437l) is amended by adding after subsection
6 (q), as added by the preceding provisions of this Act, the
7 following new subsection:

8 “(r) AUTHORITY FOR PUBLIC HOUSING AGENCIES
9 TO LEVERAGE AMOUNTS FOR REPLACEMENT AND MOD-
10 ERNIZATION.—

11 “(1) GENERAL AUTHORIZATION.—The Sec-
12 retary may, upon such terms and conditions as the
13 Secretary may prescribe, authorize a public housing
14 agency (or a partnership including a public housing
15 agency) to use grants provided under subsection (b)
16 to leverage amounts which shall be used for financ-
17 ing housing to replace existing public housing dwell-
18 ing units or for modernization of public housing, but
19 only if the agency submits to the Secretary a plan
20 for such leveraging that is approved by the Sec-
21 retary.

22 “(2) REQUIREMENTS.—The Secretary may ap-
23 prove a plan for leveraging under paragraph (1) only
24 if the Secretary determines that—

25 “(A) the public housing agency has an ac-
26 ceptable rate of obligation of funds under sec-

1 tion 14 and demonstrates the ability to use
2 such amounts effectively, directly or through
3 contract management;

4 “(B) replacement units, if included in the
5 plan, will be subject to binding covenants or
6 commitments sufficient to ensure that they will
7 be used for housing reserved for occupancy by
8 low- and very low-income families for not less
9 than 40 years;

10 “(C) any modernization to be carried out
11 under the plan complies with the modernization
12 plan submitted under this section by the public
13 housing agency and any replacement of public
14 housing dwelling units to be carried out under
15 the plan complies with the requirements of sec-
16 tion 18;

17 “(D) the plan provides permanent financ-
18 ing commitments from additional sources,
19 which may include banks and other conven-
20 tional lenders, State housing finance agencies,
21 secondary market entities, and other financial
22 institutions, sufficient to ensure the financing
23 of replacement or modernized units in a timely
24 manner; and

1 “(E) the plan complies with any other cri-
2 teria that the Secretary may establish.

3 “(3) OBLIGATION LIMITS.—

4 “(A) PER PHA.—The aggregate outstand-
5 ing principal amount leveraged under this sub-
6 section by a public housing agency may not at
7 any time exceed 5 times the amount of the most
8 recent grant for a fiscal year provided under
9 this section for comprehensive modernization.

10 “(B) FOR ALL PHAS.—The aggregate out-
11 standing principal amount leveraged under this
12 subsection by all public housing agencies may
13 not, in any single fiscal year, exceed
14 \$2,000,000,000.

15 “(4) USE OF COMPREHENSIVE MODERNIZATION
16 GRANTS AND OPERATING REVENUES.—Notwith-
17 standing any other provision of this title, a public
18 housing agency for which a plan is approved under
19 this subsection may use amounts provided under this
20 section to the agency for comprehensive moderniza-
21 tion and amounts provided under section 9 to the
22 agency for operating subsidies (including program
23 income derived therefrom) for the payment of prin-
24 cipal, interest, and fees due on any loans obtained
25 pursuant to the plan.

1 “(5) REPORTS.—The Secretary shall submit a
2 report to the Congress annually regarding the activi-
3 ties under plans for leveraging approved under this
4 subsection and the status of loans, financing, and in-
5 vestments obtained under such plans.”.

6 **SEC. 111. DEMOLITION AND DISPOSITION OF PUBLIC**
7 **HOUSING.**

8 Section 18 of the United States Housing Act of 1937
9 (42 U.S.C. 1437p) is amended to read as follows:

10 “DEMOLITION AND DISPOSITION OF PUBLIC HOUSING

11 “SEC. 18. (a) CONDITION OF HOUSING.—The Sec-
12 retary may approve an application by a public housing
13 agency to demolish or dispose of a public housing project
14 or a portion of a public housing project only if the Sec-
15 retary has determined that—

16 “(1) in the case of—

17 “(A) an application proposing demolition
18 of a public housing project or a portion of a
19 public housing project, the project or portion of
20 the project is obsolete as to physical condition,
21 location, or other factors, and it is more cost ef-
22 fective to replace the project or portion of the
23 project than to rehabilitate the project or por-
24 tion of the project; or

25 “(B) an application proposing the demoli-
26 tion of only a portion of a project, the demoli-

1 tion will help to assure the remaining useful life
2 of the remaining portion of the project;

3 “(2) in the case of an application proposing dis-
4 position of real property of a public housing agency
5 by sale or other transfer—

6 “(A)(i) the property’s retention is not in
7 the best interests of the tenants or the public
8 housing agency because (I) developmental
9 changes in the area surrounding the project ad-
10 versely affect the health or safety of the tenants
11 or the feasible operation of the project by the
12 public housing agency, (II) disposition proceeds
13 will contribute to the acquisition, development,
14 or rehabilitation of other properties which will
15 preserve the low-income rental housing available
16 in the community and help to meet the low-in-
17 come rental needs of the community as de-
18 scribed in the comprehensive housing afford-
19 ability strategy under section 105 of the Cran-
20 ston-Gonzalez National Affordable Housing Act,
21 or (III) because of other factors which the Sec-
22 retary determines are consistent with the best
23 interests of the tenants and public housing
24 agency and which are not inconsistent with
25 other provisions of this Act; and

1 “(ii) for property other than dwelling
2 units, the property is excess to the needs of a
3 project or the disposition is incidental to, or
4 does not interfere with, continued operation of
5 a project; and

6 “(B) the net proceeds of the disposition
7 will be used for (i) the payment of development
8 costs for the replacement housing and for the
9 retirement of outstanding obligations issued to
10 finance original development or modernization
11 of the project, which, in the case of scattered-
12 site housing of a public housing agency, shall be
13 in an amount that bears the same ratio to the
14 total of such costs and obligations as the num-
15 ber of units disposed of bears to the total num-
16 ber of units of the project at the time of dis-
17 position, and (ii) to the extent that any pro-
18 ceeds remain after the application of proceeds
19 in accordance with clause (i), the provision of
20 housing assistance for low-income families
21 through such measures as modernization of low-
22 income housing, or the acquisition, develop-
23 ment, or rehabilitation of other properties to
24 operate as low-income housing; or

1 “(3) in the case of an application proposing
2 demolition or disposition of any portion of a public
3 housing project, assisted at any time under section
4 5(j)(2)—

5 “(A) such assistance has not been provided
6 for the portion of the project to be demolished
7 or disposed within the 10-year period ending
8 upon submission of the application; or

9 “(B) the property’s retention is not in the
10 best interest of the tenants or the public hous-
11 ing agency because of changes in the area sur-
12 rounding the project or other extraordinary cir-
13 cumstances of the project, as determined by the
14 Secretary.

15 “(b) TENANT INVOLVEMENT AND REPLACEMENT
16 HOUSING.—The Secretary may approve an application or
17 furnish assistance under this section or under this Act
18 only if the following requirements are met:

19 “(1) TENANT CONSULTATION AND EMPLOY-
20 MENT.—The application from the public housing
21 agency—

22 “(A) has been developed in consultation
23 with tenants and tenant councils, if any, who
24 will be affected by the demolition or disposition;

1 “(B) includes a plan to employ public
2 housing tenants in demolition, construction, and
3 rehabilitation to the extent practicable, pursu-
4 ant to section 3 of the Housing and Urban De-
5 velopment Act of 1968; and

6 “(C) contains a certification by appropriate
7 local government officials that the proposed ac-
8 tivity is consistent with the applicable com-
9 prehensive housing affordability strategy under
10 section 105 of the Cranston-Gonzalez National
11 Affordable Housing Act.

12 “(2) RELOCATION ASSISTANCE.—All tenants to
13 be relocated as a result of the demolition or disposi-
14 tion will be provided assistance by the public housing
15 agency and be relocated to other decent, safe, sani-
16 tary, and affordable housing, which is, to the maxi-
17 mum extent practicable, housing of their choice, in-
18 cluding housing assisted under section 8 of this Act.

19 “(3) REPLACEMENT HOUSING.—The public
20 housing agency has developed a plan, including a
21 completion schedule, that provides for an additional
22 decent, safe, sanitary, and affordable dwelling unit
23 for each public housing dwelling unit to be demol-
24 ished or disposed under such application or provides
25 additional dwelling units sufficient to meet the needs

1 and demographic characteristics of the number of
2 applicants on the waiting list of the agency equal to
3 the number of units to be demolished or disposed of
4 which plan—

5 “(A) provides for the provision of such ad-
6 ditional dwelling units through—

7 “(i) the acquisition or development of
8 additional public housing dwelling units,
9 which may be units in housing owned (or
10 leased for a period to be determined by the
11 Secretary) by a partnership of a public
12 housing agency and other entity in which
13 the agency has a controlling interest;

14 “(ii) the use of 15-year project-based
15 assistance under section 8;

16 “(iii) in the case of an application
17 proposing demolition or disposition of 200
18 or more units, the use of tenant-based as-
19 sistance under section 8 having a term of
20 not less than 5 years;

21 “(iv) units acquired or otherwise pro-
22 vided for homeownership (including cooper-
23 ative and condominium interests) by public
24 housing residents under section 5(h), sub-
25 title B or C of title IV of the Cranston-

1 Gonzalez National Affordable Housing Act,
2 or other programs for homeownership that
3 have program requirements substantially
4 equivalent to the requirements established
5 under section 605 of the Housing and
6 Community Development Act of 1987;

7 “(v) affordable housing homeowner-
8 ship units assisted under title II of the
9 Cranston-Gonzalez National Affordable
10 Housing Act and sold to public housing
11 residents;

12 “(vi) rental units that are (I) assisted
13 under title II of the Cranston-Gonzalez
14 National Affordable Housing Act (notwith-
15 standing section 212(d)(2) of such Act), or
16 (II) assisted under a State or local rental
17 assistance program that provides for rental
18 assistance over a term of not less than 15
19 years that is comparable in terms of eligi-
20 bility and contribution to rent to assistance
21 under section 8, except that this subclause
22 shall only apply in cases provided under
23 subparagraph (C);

1 “(vii) housing assisted by a tax credit
2 under section 42 of the Internal Revenue
3 Code;

4 “(viii) housing acquired from the Res-
5 olution Trust Corporation or the Federal
6 Deposit Insurance Corporation;

7 “(ix) housing acquired under section
8 203 of the Housing and Community Devel-
9 opment Amendments of 1978;

10 “(x) other manners approved by the
11 Secretary; or

12 “(xi) any combination of such meth-
13 ods;

14 “(B) in the case of an application propos-
15 ing demolition or disposition of 200 or more
16 units, shall provide that—

17 “(i) not less than 50 percent of such
18 additional dwelling units shall be provided
19 through the acquisition or development of
20 additional dwelling units or through
21 project-based assistance; and

22 “(ii) not more than 50 percent of such
23 additional dwelling units shall be provided
24 through tenant-based assistance under sec-

1 tion 8 having a term of not less than 5
2 years;

3 “(C) if it provides for the use of tenant-
4 based assistance provided under section 8 or
5 otherwise, may be approved—

6 “(i) only after a finding by the Sec-
7 retary that replacement with project-based
8 assistance is not feasible, and the supply of
9 decent, safe, and sanitary rental housing
10 available at a rental charge not greater
11 than the applicable fair market rent under
12 section 8 is sufficient to meet the needs of
13 those who would receive such assistance
14 under the plan; and

15 “(ii) only if such finding is based on
16 objective information, which shall include
17 rates of participation by landlords and ten-
18 ants in the section 8 program in the com-
19 munity, and the number of eligible families
20 in the community waiting for public hous-
21 ing or housing assistance under section 8
22 and the length of their wait;

23 “(D) may provide that all or part of such
24 additional dwelling units may be located outside
25 the jurisdiction of the public housing agency (in

1 this subparagraph referred to as the ‘original
2 agency’) if—

3 “(i) the location is in the same hous-
4 ing market area as the original agency, as
5 determined by the Secretary; and

6 “(ii) the plan contains an agreement
7 between the original agency and the public
8 housing agency in the alternate location or
9 other public or private entity that will be
10 responsible for providing the additional
11 units in the alternate location that such al-
12 ternate agency or entity will, with respect
13 to the dwelling units involved—

14 “(I) provide the dwelling units in
15 accordance with subparagraph (A);

16 “(II) complete the plan on sched-
17 ule in accordance with subparagraph
18 (F);

19 “(III) meet the requirements of
20 subparagraph (G) of this paragraph
21 and the maximum rent provisions of
22 subparagraph (H);

23 “(IV) not impose a local resi-
24 dency preference on any resident of
25 the jurisdiction of the original agency

1 for purposes of admission to any such
2 units; and

3 “(V) allow that preference for ad-
4 mission to any such additional units
5 may be provided to residents of the
6 severely distressed public housing
7 dwelling units replaced under this
8 subparagraph pursuant to section 24;

9 “(E) includes a schedule for completing
10 the plan within a period consistent with the size
11 of the proposed demolition or disposition and
12 replacement plan, which—

13 “(i) shall not exceed 6 years, except
14 that the Secretary may extend the schedule
15 to not more than 10 years if the Secretary
16 determines, 12 months prior to the expira-
17 tion of the scheduled completion date, that
18 good cause exists to extend the implemen-
19 tation of the replacement plan under this
20 subsection; and

21 “(ii) can occur in phases necessary to
22 provide for relocation of tenants under
23 paragraph (2);

1 “(F) includes a method of ensuring that
2 the same number of individuals and families
3 will be provided housing;

4 “(G) provides for the payment of the relo-
5 cation expenses of each tenant to be displaced
6 and ensures that the rent paid by the tenant
7 following relocation will not exceed the amount
8 permitted under this Act;

9 “(H) prevents the taking of any action to
10 demolish or dispose of any unit until the tenant
11 of the unit is relocated to decent, safe, sanitary,
12 and affordable housing; and

13 “(I) permits the Secretary to intervene and
14 take any actions necessary to complete the plan
15 if the public housing agency fails, without good
16 cause, to carry out its obligations under the
17 plan.

18 “(c) LIMITATION ON DEMOLITION AND EXEMP-
19 TION.—

20 “(1) MAXIMUM PERCENTAGE.—Notwithstand-
21 ing any other provision of this section, in any 5-year
22 period a public housing agency may demolish not
23 more than the lesser of 5 dwelling units or 5 percent
24 of the total dwelling units owned and operated by
25 the public housing agency, without providing an ad-

1 ditional dwelling unit for each such public housing
2 dwelling unit to be demolished, but only if the space
3 occupied by the demolished unit is used for meeting
4 the service or other needs of public housing resi-
5 dents.

6 “(2) SITE AND NEIGHBORHOOD STANDARDS
7 EXEMPTION.—Notwithstanding any other provision
8 of law, a replacement plan under subsection (b)(3)
9 may provide for demolition of public housing units
10 and replacement of such units on site or in the same
11 neighborhood if the number of replacement units
12 provided in the same neighborhood is fewer than the
13 number of units demolished and the balance of re-
14 placement units are provided elsewhere in the juris-
15 diction or pursuant to subsection (b)(3)(D).

16 “(d) TREATMENT OF REPLACEMENT UNITS.—With
17 respect to any dwelling units developed, acquired, or leased
18 by a public housing agency pursuant to a replacement plan
19 under subsection (b)(3)—

20 “(1) assistance may be provided under section
21 9 for such units; and

22 “(2) such units shall be available for occupancy,
23 operated and managed in the manner required for
24 public housing, and shall be subject to the other re-

1 quirements applicable to public housing dwelling
2 units.

3 “(e) APPROVAL OF APPLICATIONS.—

4 “(1) IN GENERAL.—The Secretary shall notify
5 a public housing agency submitting an application
6 under this section for demolition or disposition and
7 replacement of a public housing project or portion of
8 a project of the approval or disapproval of the appli-
9 cation not later than 60 days after receiving the ap-
10 plication. If the Secretary does not notify the public
11 housing agency as required under this paragraph or
12 paragraph (2), the application shall be considered to
13 have been approved.

14 “(2) DISAPPROVAL AND RESUBMISSION.—If the
15 Secretary disapproves an application, the Secretary
16 shall specify in the notice of disapproval the reasons
17 for the disapproval and the agency may resubmit the
18 application as amended or modified.

19 “(3) HUD RESOURCES.—The Secretary shall,
20 upon approving a plan under subsection (b)(3) for
21 replacement housing units and units assisted under
22 section 8, agree to commit (subject to the availabil-
23 ity of future appropriations) the funds necessary to
24 carry out the plan over the approved schedule of the
25 plan. As part of each annual budget request for the

1 Department of Housing and Urban Development,
2 the Secretary shall submit to the Congress a re-
3 port—

4 “(A) outlining the commitments the Sec-
5 retary entered into during the preceding year to
6 fund plans approved under subsection (b)(3);

7 “(B) specifying, by fiscal year, the budget
8 authority required to carry out the commit-
9 ments specified in subparagraph (A);

10 “(C) describing, for the preceding fiscal
11 year, by locality, project name, and number of
12 units—

13 “(i) the applications approved;

14 “(ii) the applications not approved;

15 “(iii) waiver applications approved;

16 “(iv) waiver applications default ap-
17 proved; and

18 “(v) waiver applications denied; and

19 “(D) describing by locality, project name,
20 and program, the number of replacement units
21 approved and funded.

22 “(f) ACTION BEFORE APPROVAL OF APPLICATION.—

23 “(1) PROHIBITED ACTION.—A public housing
24 agency shall not take any action to demolish or dis-
25 pose of a public housing project or a portion of a

1 public housing project without obtaining the ap-
2 proval of the Secretary and satisfying the conditions
3 specified in subsections (a) and (b).

4 “(2) ALLOWABLE RELOCATION.—A public
5 housing agency may relocate tenants of public hous-
6 ing into other dwelling units after the submission of
7 an application under this section for demolition or
8 disposition or prior to implementing an approved
9 plan for modernization under section 14 or 24, if
10 units to be demolished or disposed of are not decent,
11 safe, and sanitary, or if the units to be rehabilitated
12 can not be maintained cost-effectively in a decent,
13 safe, and sanitary condition.

14 “(g) RESERVATION OF SECTION 8 ASSISTANCE.—In
15 each of fiscal years 1995 and 1996, the Secretary may
16 reserve from any budget authority appropriated for such
17 year for assistance under section 8 that is available for
18 families not currently receiving such assistance not more
19 than 10 percent of such budget authority for providing
20 replacement housing under subsection (b)(3)(A) for units
21 demolished or disposed of pursuant to this section.

22 “(h) INAPPLICABILITY TO PUBLIC HOUSING HOME-
23 OWNERSHIP PROGRAM.—The provisions of this section
24 shall not apply to the disposition of a public housing

1 project in accordance with an approved homeownership
2 program under title III of this Act.

3 “(i) EXCEPTION TO REPLACEMENT RULE.—

4 “(1) REQUIREMENTS FOR WAIVER.—The Sec-
5 retary shall waive in whole or in part the applicabil-
6 ity of the provisions of subsection (b)(3) with respect
7 to any application under this section by a public
8 housing agency for the demolition or disposition of
9 public housing dwelling units if—

10 “(A) the Secretary determines, based on
11 information provided by the public housing
12 agency in the application and the request under
13 paragraph (2) and taking into consideration the
14 assessment submitted by the agency under
15 paragraph (2)(C), that—

16 “(i) the public housing agency has
17 made a good faith effort to implement the
18 replacement plan as approved;

19 “(ii) sufficient financial assistance is
20 not, and will not be, available to the public
21 housing agency or the community to reha-
22 bilitate or replace all or some of the units;
23 or

24 “(iii) changed circumstances and
25 other affordable housing in the community

1 have satisfied the replacement housing re-
2 quired under the plan; and

3 “(B) the public housing agency requests a
4 waiver under this subsection in accordance with
5 the requirements under paragraph (2).

6 “(2) REQUEST FOR WAIVER.—To be eligible for
7 a waiver under this subsection, a public housing
8 agency shall submit to the Secretary a request for
9 a waiver under this subsection that includes—

10 “(A) a revised replacement housing plan
11 that describes additional decent, safe, sanitary,
12 and affordable dwelling units to be made avail-
13 able as replacement housing;

14 “(B) an identification of the replacement
15 dwelling units for which the waiver is requested
16 and a justification for why they cannot be pro-
17 duced; and

18 “(C) an assessment of the availability of
19 dwelling units affordable to low-income families
20 within the housing market area in which the
21 dwelling units are located, during the imple-
22 mentation of the replacement plan.

23 “(3) SUBMISSION TO SECRETARY.—A request
24 for a waiver under this subsection may be submitted
25 no earlier than 12 months before the expiration of

1 the replacement plan completion schedule. The re-
2 quest shall be submitted to the Secretary by certified
3 mail or any other equivalent means that provides no-
4 tification to the public housing agency making the
5 request of the date of receipt by the Secretary.

6 “(4) NOTICE OF DISPOSITION OF REQUEST.—
7 Except as provided in paragraph (5), the Secretary
8 shall notify a public housing agency requesting a
9 waiver under this section of the approval or dis-
10 approval of the request not later than 60 days after
11 receiving the request. If the Secretary does not no-
12 tify the public housing agency as required under this
13 paragraph or paragraph (5), the request for a waiver
14 shall be considered to have been approved.

15 “(5) REQUEST FOR ADDITIONAL INFORMA-
16 TION.—If the Secretary determines that more infor-
17 mation is needed to make the determinations under
18 paragraph (1) than has been provided by the public
19 housing agency, the Secretary shall notify the agen-
20 cy in writing not later than 30 days after receiving
21 the request for the waiver that additional informa-
22 tion is necessary. Such notice shall describe specifi-
23 cally the additional information required for the de-
24 terminations and establish a deadline for the sub-
25 mission of the information by the agency, which

1 shall be determined based on the difficulty of obtain-
2 ing the information requested. If the agency submits
3 such additional information requested before the
4 deadline established in the notice under this para-
5 graph, the Secretary shall notify the agency request-
6 ing the waiver that the request is approved or dis-
7 approved not later than 30 days after the submis-
8 sion of such additional information.

9 “(6) STATEMENT OF REASONS FOR DENYING
10 OR APPROVING REQUEST.—The Secretary shall in-
11 clude, in each notice under paragraph (4) or (5) of
12 the denial or approval of a request for a waiver
13 under this subsection, the specific reasons for deny-
14 ing or approving the request. The denial of any re-
15 quest for a waiver for public housing dwelling units
16 shall not prejudice the consideration of any other
17 subsequent request for such a waiver for any of such
18 dwelling units.”.

19 **SEC. 112. REVITALIZATION OF SEVERELY DISTRESSED PUB-**
20 **LIC HOUSING.**

21 (a) PLANNING GRANTS.—Subsection (c) of section 24
22 of the United States Housing Act of 1937 (42 U.S.C.
23 1437v(c)) is amended—

24 (1) in paragraph (2) by striking “\$200,000”
25 and inserting “\$300,000”;

1 (2) in paragraph (3)—

2 (A) in subparagraph (G), by striking “de-
3 signing a suitable replacement housing plan”
4 and inserting “designing suitable relocation and
5 replacement housing plans”;

6 (B) by redesignating subparagraphs (E)
7 through (I) as subparagraphs (F) through (J),
8 respectively; and

9 (C) by inserting after subparagraph (D)
10 the following new subparagraph:

11 “(E) planning for community service ac-
12 tivities to be carried out by residents, other
13 members of the community, and other persons
14 willing to contribute to the social, economic, or
15 physical improvement of the community;”;

16 (3) in paragraph (4)—

17 (A) by redesignating subparagraphs (D)
18 and (E) as subparagraphs (E) and (F), respec-
19 tively; and

20 (B) by inserting after subparagraph (C)
21 the following new subparagraph:

22 “(D) to the extent the applicant is request-
23 ing amounts for community service planning ac-
24 tivities, a description of such activities to be
25 carried out by residents, other members of the

community, and other persons willing to contribute to the social, economic, or physical improvement of the community;” and

(5) in paragraph (5)—

(A) in subparagraph (F), by inserting before the semicolon at the end the following: “, taking into consideration the condition of the public housing of the public housing agency as a whole”;

(B) by striking subparagraph (E); and

(C) by redesignating subparagraphs (F) and (G) as subparagraphs (E) and (F), respectively.

(b) IMPLEMENTATION GRANTS.—Subsection (d) of section 24 of the United States Housing Act of 1937 is amended—

(1) in paragraph (2)—

(A) in subparagraph (I), by striking “except that” and all that follows and inserting the following: “except that—

“(i) not more than 20 percent of any grant under this subsection may be used for such purpose; and

“(ii) an amount equal to 15 percent of the amount of any grant under this sub-

1 section used for such purposes shall be
2 contributed from non-Federal sources, and
3 may be in the form of cash, administrative
4 costs, and the reasonable value of in-kind
5 contributions, and may include funding
6 under title I of the Housing and Commu-
7 nity Development Act of 1974.”;

8 (B) by redesignating subparagraphs (E)
9 through (I) (as so amended) as subparagraphs
10 (G) through (K), respectively; and

11 (C) by inserting after subparagraph (D)
12 the following new subparagraphs:

13 “(E) community service activities to be
14 carried out by residents, other members of the
15 community, and other persons willing to con-
16 tribute to the social, economic, or physical im-
17 provement of the community;

18 “(F) replacement of public housing units;”;

19 (2) in paragraph (3)—

20 (A) by redesignating subparagraphs (D)
21 and (E) as subparagraphs (E) and (F), respec-
22 tively; and

23 (B) by inserting after subparagraph (C)
24 the following new subparagraph:

1 “(D) to the extent the applicant is request-
2 ing amounts for community service activities, a
3 description of the community service activities
4 to be carried out by residents, other members
5 of the community, and other persons willing to
6 contribute to the social, economic, or physical
7 improvement of the community;”; and
8 (3) in paragraph (4)—

9 (A) by striking subparagraph (D) and in-
10 serting the following new subparagraph:

11 “(D) the quality of the proposed revitaliza-
12 tion program and the suitability of the project
13 for such a program;”;

14 (B) in subparagraph (F), by inserting be-
15 fore the semicolon at the end the following: “,
16 taking into consideration the condition of the
17 public housing of the applicant as a whole”;
18 and

19 (C) by striking subparagraph (E); and

20 (D) by redesignating subparagraphs (F)
21 and (G) as subparagraphs (E) and (F), respec-
22 tively.

23 (c) EXCEPTIONS TO GENERAL PROGRAM REQUIRE-
24 MENTS.—Section 24(e) of the United States Housing Act
25 of 1937 is amended—

1 (1) by striking the first sentence of paragraph
2 (2) and inserting the following new sentence: “For
3 projects revitalized under this section, a public hous-
4 ing agency may—

5 “(A) in lieu of selecting tenants pursuant
6 to the preferences specified under section
7 6(c)(4)(A)(i), select tenants pursuant to a local
8 system of preferences;

9 “(B) in making dwelling units in such
10 projects available for occupancy, disregard the
11 order in which applications were made for resi-
12 dency in public housing dwelling units or any
13 waiting lists established for such residency to
14 provide for substantial variation in the incomes
15 of families residing in the project, subject to the
16 provisions of this Act relating to income eligi-
17 bility in public housing projects (as modified
18 under subparagraph (C));

19 “(C) notwithstanding section 16 of this
20 Act, provide for low-income families to occupy
21 not more than 50 percent of the dwelling units
22 in a project, and

23 “(D) establish ceiling rents under section
24 3(a)(2).”; and

1 (2) by adding at the end the following new
2 paragraph:

3 “(3) DEMOLITION AND REPLACEMENT.—

4 “(A) IN GENERAL.—Notwithstanding any
5 other applicable law or regulation, a revitaliza-
6 tion plan under this section may include demoli-
7 tion of public housing units and replacement of
8 such units on site or in the same neighborhood
9 if the number of replacement units provided in
10 the same neighborhood is fewer than the num-
11 ber of units demolished as a result of the revi-
12 talization effort.

13 “(B) TENANT-BASED ASSISTANCE.—Not-
14 withstanding the limitation in subparagraph (C)
15 of section 18(b)(3), a public housing agency
16 may replace not more than one-third of the
17 units demolished or disposed of through a revi-
18 talization project under this section with ten-
19 ant-based assistance under section 8, but only
20 if the public housing agency demonstrates to
21 the satisfaction of the Secretary that the local
22 housing market in which the assistance is to be
23 used has had a vacancy rate, among units
24 whose rent does not exceed the fair market
25 rental for the area established under section

1 8(e), of more than 3 percent for at least 6 con-
2 secutive months.

3 “(C) ADDITIONAL METHODS OF REPLACE-
4 MENT.—A revitalization plan under this section
5 may provide for replacement of public housing
6 units in the manners under subparagraph (D)
7 of this paragraph in addition to the require-
8 ments of subparagraph (B) of section 18(b)(3))
9 if the agency or corporation enters into such
10 agreements as the Secretary considers nec-
11 essary to ensure that the replacement units will
12 remain affordable to families eligible for resi-
13 dency in public housing for the remaining use-
14 ful life of the units, as determined by the Sec-
15 retary.

16 “(D) CERTIFICATE AND NEW UNIT MIX.—
17 Each such dwelling unit demolished, disposed
18 of, or otherwise eliminated pursuant to para-
19 graph (c) shall be replaced with an additional
20 dwelling unit through any combination of—

21 “(i) additional public housing dwelling
22 units;

23 “(ii) units or housing described in
24 clause (iv), (v), (vii), (viii), or (ix) of sec-
25 tion 18(b)(3)(A);

1 “(iii) rental units that are (I) assisted
2 under title II of the Cranston-Gonzalez
3 National Affordable Housing Act (notwith-
4 standing section 212(d)(2) of such Act), or
5 (II) assisted under a State or local rental
6 assistance program that provides for rental
7 assistance over a term of not less than 5
8 years that is comparable in terms of eligi-
9 bility and contribution to rent to assistance
10 under section 8; but this clause shall apply
11 to a revitalization program only if the
12 agency demonstrates to the satisfaction of
13 the Secretary that the local housing mar-
14 ket in which the assistance is to be used
15 has had a vacancy rate, among units whose
16 rent does not exceed the fair market rental
17 for the area established under section 8(e),
18 of more than 3 percent for at least 6 con-
19 secutive months; or

20 “(iv) other manners approved by the
21 Secretary.”.

22 (d) DEFINITIONS.—Subsection (h) of section 24 of
23 the United States Housing Act of 1937 is amended—

24 (1) by striking paragraph (5) and inserting the
25 following new paragraphs:

1 “(6) SEVERELY DISTRESSED PUBLIC HOUS-
2 ING.—The term ‘severely distressed public housing’
3 means a public housing project or building in a
4 project that—

5 “(A) requires major redesign, reconstruc-
6 tion, or redevelopment, or partial or total demo-
7 lition, to correct serious deficiencies in the
8 original design (including inappropriately high
9 population density), deferred maintenance,
10 physical deterioration or obsolescence of major
11 systems, and other deficiencies in the physical
12 plant of the project;

13 “(B) is—

14 “(i)(I) occupied predominantly by
15 families with children which have extremely
16 low incomes, high rates of unemployment,
17 and extensive dependency on various forms
18 of public assistance; and

19 “(II) has high rates of vandalism and
20 criminal activity (including drug-related
21 criminal activity) in comparison to other
22 housing in the area; or

23 “(ii) has a vacancy rate, as deter-
24 mined by the Secretary, of 50 percent or
25 more;

1 “(C) can not be revitalized through assist-
2 ance under other programs, such as the pro-
3 grams under sections 9 and 14, or through
4 other administrative means because of the inad-
5 equacy of available amounts; and

6 “(D) in the case of an individual building,
7 the building is (in the determination of the Sec-
8 retary) sufficiently separable from the remain-
9 der of the project of which the building is part
10 to make use of the building feasible for pur-
11 poses of this section.

12 “(7) SUPPORT SERVICES.—The term ‘support
13 services’ includes all activities which will promote
14 upward mobility, self-sufficiency, and improved qual-
15 ity of life for the residents of the public housing
16 project involved, and shall include literacy training,
17 job training, day care, and economic development ac-
18 tivities. Support services may be provided to resi-
19 dents of the neighborhood in which the public hous-
20 ing project involved is located.”;

21 (2) by redesignating paragraphs (2) through
22 (4) as paragraphs (3) through (5), respectively; and

23 (3) by inserting after paragraph (1) the follow-
24 ing new paragraph:

1 “(2) COMMUNITY SERVICE.—The term ‘commu-
2 nity service’ means services provided on a volunteer
3 or limited stipend basis for the social, economic, or
4 physical improvement of the community to be
5 served, including opportunity for the upward mobil-
6 ity of participants providing the community service,
7 through completion of education requirements, job
8 training, or alternative methods of developing skills
9 and job readiness.”.

10 (e) REPEAL.—Subsections (b) and (i) of section 24
11 of the United States Housing Act of 1937 are repealed.

12 (f) APPLICABILITY.—Section 24 of the United States
13 Housing Act of 1937 is amended by adding at the end
14 the following new subsection:

15 “(j) APPLICABILITY.—Notwithstanding any provision
16 of this Act, with respect to a public housing project that
17 (1) has been selected for funding under this section 24
18 or through the urban revitalization demonstration pro-
19 gram under the Departments of Veterans Affairs and
20 Housing and Urban Development, and Independent Agen-
21 cies Appropriations Act, 1993 (Public Law 102–389, 106
22 Stat. 1579; 42 U.S.C. 1437l note) or the Departments of
23 Veterans Affairs and Housing and Urban Development,
24 and Independent Agencies Appropriations Act, 1994
25 (Public Law 103–124, 107 Stat. 1285; 42 U.S.C. 1437l

1 note), and (2) has an approved comprehensive plan under
2 section 14 of this Act, the Secretary may apply any provi-
3 sion of this section and the regulations hereunder to all
4 activities undertaken at such projects only during revital-
5 ization. Such activities may include demolition, moderniza-
6 tion, reconstruction, site improvement, replacement hous-
7 ing and operation and management, including funding
8 under sections 5, 9, and 14.”.

9 (g) CONFORMING AMENDMENT.—The first sentence
10 of section 25(m)(1) of the United States Housing Act of
11 1937 (42 U.S.C. 1437w(m)(1)) is amended to read as fol-
12 lows: “The term ‘eligible housing’ means a public housing
13 project, or one or more buildings within a project, that
14 is owned or operated by a troubled public housing agency
15 that has been troubled for not less than 3 years and that,
16 as determined by the Secretary, has failed to make sub-
17 stantial progress toward effective management.”.

18 (h) APPLICABILITY TO CERTAIN PROJECT.—The
19 amendments made by this section shall apply with respect
20 to assistance provided before the date of the enactment
21 of this Act under section 24 of the United States Housing
22 Act of 1937 for the Desire Housing Development, located
23 in New Orleans, Louisiana, but only to the extent that
24 the Housing Authority of New Orleans submits to the Sec-
25 retary of Housing and Urban Development a description

1 of the revitalization program for such project describing
2 the use of such assistance under the provisions of such
3 section 24, as amended, which is approved by the Sec-
4 retary.

5 **SEC. 113. APPLICABILITY OF PUBLIC HOUSING AMEND-**
6 **MENTS TO INDIAN HOUSING.**

7 (a) AMENDMENT.—Section 201(b) of the United
8 States Housing Act of 1937 (42 U.S.C. 1437aa(b)) is
9 amended to read as follows:

10 “(b) APPLICABILITY OF TITLE I.—Except as other-
11 wise provided by law, the provisions of title I shall apply
12 to low-income housing developed or operated pursuant to
13 a contract between the Secretary and an Indian housing
14 authority.”.

15 (b) APPLICABILITY OF AMENDMENT.—The amend-
16 ment made by subsection (a) shall not affect provisions
17 of the United States Housing Act of 1937 that were made
18 applicable to public housing developed or operated pursu-
19 ant to a contract between the Secretary and an Indian
20 housing authority in accordance with section 201(b)(2) of
21 such Act, as such section existed before the effective date
22 of this section.

23 (c) APPLICABILITY OF HOUSING AND COMMUNITY
24 DEVELOPMENT ACT OF 1992.—The provisions of, and the
25 amendments made by, sections 103(a)(1), 112, 114, 116,

1 118, 903, and 927 of the Housing and Community Devel-
2 opment Act of 1992 and sections 301, 302, 303 and 304
3 of the Multifamily Housing Property Disposition Reform
4 Act of 1994 shall apply to public housing developed or op-
5 erated pursuant to a contract between the Secretary and
6 an Indian housing authority.

7 **SEC. 114. SALE OF CERTAIN SCATTERED-SITE PUBLIC**
8 **HOUSING.**

9 Section 131 of the Housing and Community Develop-
10 ment Act of 1992 (Public Law 102–550; 106 Stat. 3712)
11 is amended by adding at the end the following new sen-
12 tence: “During the term of the annual contributions con-
13 tract relating to the scattered-site public housing origi-
14 nally sold under this section, any proceeds from the dis-
15 position of replacement scattered-site dwellings purchased
16 with (1) the proceeds from such original disposition, or
17 (2) the proceeds from the disposition of any replacement
18 scattered-site dwellings, shall be used to purchase addi-
19 tional replacement scattered-site dwellings, which shall be
20 considered public housing for the purposes of such Act and
21 for which the Secretary shall provide annual contributions
22 for operation, using amounts made available under section
23 9(c) of such Act.”.

1 **SEC. 115. COMMUNITY PARTNERSHIPS AGAINST CRIME.**

2 (a) SHORT TITLE, PURPOSES, AND AUTHORITY TO
3 MAKE GRANTS.—Chapter 2 of subtitle C of title V of the
4 Anti-Drug Abuse Act of 1988 (42 U.S.C. 11901 et seq.)
5 is amended by striking the chapter heading and all that
6 follows through section 5123 and inserting the following:

7 **“CHAPTER 2—COMMUNITY PARTNERSHIPS**
8 **AGAINST CRIME**

9 **“SEC. 5121. SHORT TITLE.**

10 “This chapter may be cited as the ‘Community Part-
11 nerships Against Crime Act of 1994’.

12 **“SEC. 5122. PURPOSES.**

13 “The purposes of this chapter are to—

14 “(1) improve the quality of life for the vast ma-
15 jority of law-abiding public housing residents by re-
16 ducing the levels of fear, violence, and crime in their
17 communities;

18 “(2) substantially expand and enhance the Fed-
19 eral Government’s commitment to eliminating crime
20 in and around public housing and other federally as-
21 sisted low-income housing;

22 “(3) broaden the scope of the Public and As-
23 sisted Housing Drug Elimination Act of 1990 to
24 apply to all types of crime, and not simply crime
25 that is drug-related;

1 “(4) encourage the involvement of a broad
2 range of community-based groups and residents of
3 neighboring housing that is owned or assisted by the
4 Secretary in the development and implementation of
5 anti-crime plans;

6 “(5) reduce crime and disorder in and around
7 public housing through the expansion of community-
8 oriented policing activities and problem solving;

9 “(6) provide training, information services, and
10 other technical assistance to program participants;
11 and

12 “(7) establish a standardized assessment sys-
13 tem to evaluate need among public housing agencies
14 and to measure progress in reaching crime reduction
15 goals.

16 **“SEC. 5123. AUTHORITY TO MAKE GRANTS.**

17 “The Secretary of Housing and Urban Development
18 may make grants in accordance with the provisions of this
19 chapter for use in eliminating crime in and around public
20 housing and other federally assisted low-income housing
21 projects to (1) public housing agencies, and (2) private,
22 for-profit and nonprofit owners of federally assisted low-
23 income housing. In designing the program for grants
24 under this chapter, the Secretary shall consult with the
25 Attorney General.”.

1 (b) ELIGIBLE ACTIVITIES.—

2 (1) IN GENERAL.—Section 5124(a) of the Anti-
3 Drug Abuse Act of 1988 (42 U.S.C. 11903(a)) is
4 amended—

5 (A) in the matter preceding paragraph (1),
6 by inserting “and around” after “used in”;

7 (B) in paragraph (3), by inserting before
8 the semicolon the following: “, including fenc-
9 ing, lighting, locking, and surveillance systems”;

10 (C) in paragraph (4), by striking subpara-
11 graph (A) and inserting the following new sub-
12 paragraph:

13 “(A) to investigate crime; and”;

14 (D) in paragraph (6)—

15 (i) by striking “in and around public
16 or other federally assisted low-income
17 housing projects”; and

18 (ii) by striking “and” after the semi-
19 colon; and

20 (E) by striking paragraph (7) and insert-
21 ing the following new paragraphs:

22 “(7) providing funding to nonprofit public hous-
23 ing resident management corporations and resident
24 councils to develop security and crime prevention
25 programs involving site residents;

1 “(8) the employment or utilization of one or
2 more individuals, including law enforcement officers,
3 made available by contract or other cooperative ar-
4 rangement with State or local law enforcement agen-
5 cies, to engage in community- and problem-oriented
6 policing involving interaction with members of the
7 community in proactive crime control and prevention
8 activities;

9 “(9) programs and activities for or involving
10 youth, including training, education, recreation and
11 sports, career planning, and entrepreneurship and
12 employment activities and after school and cultural
13 programs; and

14 “(10) service programs for residents that ad-
15 dress the contributing factors of crime, including
16 programs for job training, education, drug and alco-
17 hol treatment, and other appropriate social serv-
18 ices.”.

19 (2) OTHER PHA-OWNED HOUSING.—Section
20 5124(b) of the Anti-Drug Abuse Act of 1988 (42
21 U.S.C. 11903(b)) is amended—

22 (A) in the matter preceding paragraph
23 (1)—

24 (i) by striking “drug-related crime in”
25 and inserting “crime in and around”; and

1 (ii) by striking “paragraphs (1)
2 through (7)” and inserting “paragraphs
3 (1) through (10)”; and

4 (B) in paragraph (2), by striking “drug-re-
5 lated” and inserting “criminal”.

6 (c) GRANT PROCEDURES.—Section 5125 of the Anti-
7 Drug Abuse Act of 1988 (42 U.S.C. 11904) is amended
8 to read as follows:

9 **“SEC. 5125. GRANT PROCEDURES.**

10 “(a) PHA’S WITH 250 OR MORE UNITS.—

11 “(1) GRANTS.—In each fiscal year, the Sec-
12 retary shall make a grant under this chapter from
13 any amounts available under section 5131(b)(1) for
14 the fiscal year to each of the following public hous-
15 ing agencies:

16 “(A) NEW APPLICANTS.—Each public
17 housing agency that owns or operates 250 or
18 more public housing dwelling units and has—

19 “(i) submitted an application to the
20 Secretary for a grant for such fiscal year,
21 which includes a 5-year crime deterrence
22 and reduction plan under paragraph (2);
23 and

24 “(ii) had such application and plan
25 approved by the Secretary.

1 “(B) RENEWALS.—Each public housing
2 agency that owns or operates 250 or more pub-
3 lic housing dwelling units and for which—

4 “(i) a grant was made under this
5 chapter for the preceding Federal fiscal
6 year;

7 “(ii) the term of the 5-year crime de-
8 terrence and reduction plan applicable to
9 such grant includes the fiscal year for
10 which the grant under this subsection is to
11 be made; and

12 “(iii) the Secretary has determined,
13 pursuant to a performance review under
14 paragraph (4), that during the preceding
15 fiscal year the agency has substantially ful-
16 filled the requirements under subpara-
17 graphs (A) and (B) of paragraph (4).

18 “(2) 5-YEAR CRIME DETERRENCE AND REDUC-
19 TION PLAN.—Each application for a grant under
20 this subsection shall contain a 5-year crime deter-
21 rence and reduction plan. The plan shall describe,
22 for the public housing agency submitting the plan—

23 “(A) the nature of the crime problem in
24 public housing owned or operated by the public
25 housing agency;

1 “(B) the building or buildings of the public
2 housing agency affected by the crime problem;

3 “(C) the impact of the crime problem on
4 residents of such building or buildings; and

5 “(D) the actions to be taken during the
6 term of the plan to reduce and deter such
7 crime, which shall include actions involving resi-
8 dents, law enforcement, and service providers.

9 The term of a plan shall be the period consisting of
10 5 consecutive fiscal years, which begins with the first
11 fiscal year for which funding under this chapter is
12 provided to carry out the plan.

13 “(3) AMOUNT.—In any fiscal year, the amount
14 of the grant for a public housing agency receiving a
15 grant pursuant to paragraph (1) shall be the
16 amount that bears the same ratio to the total
17 amount made available under section 5131(b)(1) as
18 the total number of public dwelling units owned or
19 operated by such agency bears to the total number
20 of dwelling units owned or operated by all public
21 housing agencies that own or operate 250 or more
22 public housing dwelling units that are approved for
23 such fiscal year.

24 “(4) PERFORMANCE REVIEW.—For each fiscal
25 year, the Secretary shall conduct a performance re-

1 view of the activities carried out by each public
2 housing agency receiving a grant pursuant to this
3 subsection to determine whether the agency—

4 “(A) has carried out such activities in a
5 timely manner and in accordance with its 5-
6 year crime deterrence and reduction plan; and

7 “(B) has a continuing capacity to carry
8 out such plan in a timely manner.

9 “(5) SUBMISSION OF APPLICATIONS.—The Sec-
10 retary shall establish such deadlines and require-
11 ments for submission of applications under this sub-
12 section as the Secretary determines appropriate for
13 timely and orderly allocation and disbursement of
14 amounts made available for grants under this sub-
15 section.

16 “(6) REVIEW AND DETERMINATION.—The Sec-
17 retary shall review each application submitted under
18 this subsection upon submission and shall approve
19 the application unless the application and the 5-year
20 crime deterrence and reduction plan are inconsistent
21 with the purposes of this chapter or any require-
22 ments established by the Secretary or the informa-
23 tion in the application or plan is not substantially
24 complete. Upon approving or determining not to ap-
25 prove an application and plan submitted under this

1 subsection, the Secretary shall notify the public
2 housing agency submitting the application and plan
3 of such approval or disapproval.

4 “(7) DISAPPROVAL OF APPLICATIONS.—If the
5 Secretary notifies an agency that the application and
6 plan of the agency is not approved, not later than
7 the expiration of the 15-day period beginning upon
8 such notice of disapproval, the Secretary shall also
9 notify the agency, in writing, of the reasons for the
10 disapproval, the actions that the agency could take
11 to comply with the criteria for approval, and the
12 deadlines for such actions.

13 “(8) FAILURE TO APPROVE OR DISAPPROVE.—
14 If the Secretary fails to notify an agency of approval
15 or disapproval of an application and plan submitted
16 under this subsection before the expiration of the
17 60-day period beginning upon the submission of the
18 plan or fails to provide notice under paragraph (7)
19 within the 15-day period under such paragraph to
20 an agency whose application has been disapproved,
21 the application and plan shall be considered to have
22 been approved for purposes of this section.

23 “(b) PHA’S WITH FEWER THAN 250 UNITS AND
24 OWNERS OF FEDERALLY ASSISTED LOW-INCOME HOUS-
25 ING.—

1 “(1) APPLICATIONS AND PLANS.—To be eligible
2 to receive a grant under this chapter, a public hous-
3 ing agency that owns or operates fewer than 250
4 public housing dwelling units or an owner of feder-
5 ally assisted low-income housing shall submit an ap-
6 plication to the Secretary at such time, in such man-
7 ner, and accompanied by such additional information
8 as the Secretary may require. The application shall
9 include a plan for addressing the problem of crime
10 in and around the housing for which the application
11 is submitted, describing in detail activities to be con-
12 ducted during the fiscal year for which the grant is
13 requested.

14 “(2) GRANTS FOR PHA’S WITH FEWER THAN
15 250 UNITS.—In each fiscal year the Secretary may,
16 to the extent amounts are available under section
17 5131(b)(2), make grants under this chapter to pub-
18 lic housing agencies that own or operate fewer than
19 250 public housing dwelling units and have submit-
20 ted applications under paragraph (1) that the Sec-
21 retary has approved pursuant to the criteria under
22 paragraph (4).

23 “(3) GRANTS FOR FEDERALLY ASSISTED LOW-
24 INCOME HOUSING.—In each fiscal year the Secretary
25 may, to the extent amounts are available under sec-

1 tion 5131(b)(3), make grants under this chapter to
2 owners of federally assisted low-income housing that
3 have submitted applications under paragraph (1)
4 that the Secretary has approved pursuant to the cri-
5 teria under paragraphs (4) and (5).

6 “(4) CRITERIA FOR APPROVAL OF APPLICA-
7 TIONS.—The Secretary shall determine whether to
8 approve each application under this subsection on
9 the basis of—

10 “(A) the extent of the crime problem in
11 and around the housing for which the applica-
12 tion is made;

13 “(B) the quality of the plan to address the
14 crime problem in the housing for which the ap-
15 plication is made;

16 “(C) the capability of the applicant to
17 carry out the plan; and

18 “(D) the extent to which the tenants of the
19 housing, the local government, local community-
20 based nonprofit organizations, local tenant or-
21 ganizations representing residents of neighbor-
22 ing projects that are owned or assisted by the
23 Secretary, and the local community support and
24 participate in the design and implementation of

1 the activities proposed to be funded under the
2 application.

3 In each fiscal year, the Secretary may give pref-
4 erence to applications under this subsection for
5 housing made by applicants who received a grant for
6 such housing for the preceding fiscal year under this
7 subsection or under the provisions of this chapter as
8 in effect immediately before the date of the enact-
9 ment of the Housing and Community Development
10 Act of 1994.

11 “(5) ADDITIONAL CRITERIA FOR FEDERALLY
12 ASSISTED LOW-INCOME HOUSING.—In addition to
13 the selection criteria under paragraph (4), the Sec-
14 retary may establish other criteria for evaluating ap-
15 plications submitted by owners of federally assisted
16 low-income housing, except that such additional cri-
17 teria shall be designed only to reflect—

18 “(A) relevant differences between the fi-
19 nancial resources and other characteristics of
20 public housing authorities and owners of feder-
21 ally assisted low-income housing; or

22 “(B) relevant differences between the prob-
23 lem of crime in public housing administered by
24 such public housing agencies and the problem

1 of crime in federally assisted low-income hous-
2 ing.”.

3 (d) DEFINITIONS.—Section 5126 of the Anti-Drug
4 Abuse Act of 1988 (42 U.S.C. 11905) is amended—

5 (1) by striking paragraphs (1) and (2);

6 (2) in paragraph (4), by striking “section” be-
7 fore “221(d)(4)”;

8 (3) by redesignating paragraphs (3) and (4) (as
9 so amended) as paragraphs (1) and (2), respectively;
10 and

11 (4) by adding at the end the following new
12 paragraph:

13 “(3) PUBLIC HOUSING AGENCY.—The term
14 ‘public housing agency’ has the meaning given the
15 term in section 3(b) of the United States Housing
16 Act of 1937.”.

17 (e) IMPLEMENTATION.—Section 5127 of the Anti-
18 Drug Abuse Act of 1988 (42 U.S.C. 11906) is amended
19 by striking “Cranston-Gonzalez National Affordable
20 Housing Act” and inserting “Housing and Community
21 Development Act of 1994”.

22 (f) REPORTS.—Section 5128 of the Anti-Drug Abuse
23 Act of 1988 (42 U.S.C. 11907) is amended—

24 (1) by striking “The Secretary” and inserting
25 the following:

1 “(a) REPORTS BY GRANTEEES.—The Secretary”;

2 (2) by striking “drug-related crime in” and in-
3 sserting “crime in and around”;

4 (3) by striking “described in section 5125(a)”
5 and inserting “for the grantee submitted under sub-
6 section (a) or (b) of section 5125, as applicable”;
7 and

8 (4) by adding at the end the following new sub-
9 section:

10 “(b) REPORTS BY SECRETARY.—For each fiscal year
11 in which the Secretary makes grants under this chapter,
12 the Secretary shall submit a report to the Congress de-
13 scribing the progress achieved in crime deterrence and re-
14 duction in the public housing and federally assisted low-
15 income housing for which such grant assistance has been
16 provided. The report shall include any recommendations
17 of the Secretary for changes in the program of assistance
18 under this chapter.”.

19 (g) TECHNICAL ASSISTANCE AND FUNDING.—Chap-
20 ter 2 of subtitle C of title V of the Anti-Drug Abuse Act
21 of 1988 is amended by striking section 5130 (42 U.S.C.
22 11909) and inserting the following new sections:

23 **“SEC. 5130. TECHNICAL ASSISTANCE.**

24 “(a) IN GENERAL.—To the extent amounts are made
25 available under section 5131(c), the Secretary may provide

1 training, information services, and other technical assist-
2 ance to public housing agencies and other entities with re-
3 spect to their participation in the program under this
4 chapter, which shall include activities under subsection (b)
5 of this section. Such technical assistance may be provided
6 directly by the Secretary or indirectly pursuant to grants,
7 contracts, or cooperative agreements.

8 “(b) USE.—The Secretary may use amounts available
9 for use under this section—

10 “(1) to establish and operate the clearinghouse
11 on drug abuse in public housing and the regional
12 training program on drug abuse in public housing
13 under sections 5143 and 5144 of this Act;

14 “(2) to obtain assistance in establishing and
15 managing assessment and evaluation criteria and
16 specifications and to obtain the opinions of experts
17 in relevant fields; and

18 “(3) upon the request of a public housing agen-
19 cy, to assist the agency in evaluating the extent of
20 the crime problem in any public housing adminis-
21 tered by the agency and preparing a 5-year crime
22 deterrence and reduction plan under section 5125(a)
23 or an application and plan under section 5125(b)(1),
24 which assistance may include providing personnel

1 and funding to identify and secure local resources to
2 assist in deterring and reducing crime.

3 “(c) PRIORITY.—In selecting entities to receive tech-
4 nical assistance under this section, the Secretary shall give
5 priority to public housing agencies that have submitted ap-
6 plications and plans under section 5125 that the Secretary
7 has determined do not meet the requirements for approval
8 for assistance under this chapter.

9 **“SEC. 5131. ALLOCATION OF FUNDING.**

10 “(a) ALLOCATION.—Of any amounts available, or
11 that the Secretary is authorized to use, to carry out this
12 chapter in any fiscal year that remain after reserving
13 amounts for use under subsection (c)—

14 “(1) 85 percent shall be available only for as-
15 sistance pursuant to section 5125(a) to public hous-
16 ing agencies that own or operate 250 or more public
17 housing dwelling units;

18 “(2) 10 percent shall be available only for as-
19 sistance pursuant to section 5125(b)(2) to public
20 housing agencies that own or operate fewer than 250
21 public housing dwelling units; and

22 “(3) 5 percent shall be available only for assist-
23 ance to federally assisted low-income housing pursu-
24 ant to section 5125(b)(3).

1 Any other provision of law enacted before or after the date
 2 of the enactment of the Housing and Community Develop-
 3 ment Act of 1994 that limits the authority of the Sec-
 4 retary to use amounts to carry out this chapter upon the
 5 apportionment of such amounts in a manner not provided
 6 for in this subsection shall not be effective.

7 “(b) SET-ASIDE FOR TECHNICAL ASSISTANCE.—Of
 8 any amount made available in fiscal years 1994 and 1995
 9 to carry out this chapter, the Secretary shall use not more
 10 than \$10,000,000 in each such fiscal year to provide tech-
 11 nical assistance under section 5130.”.

12 (h) CONFORMING AMENDMENTS.—The table of con-
 13 tents in section 5001 of the Anti-Drug Abuse Act of 1988
 14 (Public Law 100–690; 102 Stat. 4295) is amended—

15 (1) by striking the item relating to the heading
 16 for chapter 2 of subtitle C and inserting the follow-
 17 ing:

“CHAPTER 2—COMMUNITY PARTNERSHIPS AGAINST CRIME”;

18 (2) by striking the item relating to section 5122
 19 and inserting the following new item:

“Sec. 5122. Purposes.”;

20 (3) by striking the item relating to section 5125
 21 and inserting the following new item:

“Sec. 5125. Grant procedures.”;

22 and

1 (4) by striking the item relating to section 5130
2 and inserting the following new items:

“Sec. 5130. Technical Assistance.
“Sec. 5131. Funding.”.

3 **SEC. 116. PUBLIC HOUSING RESIDENT OPPORTUNITY.**

4 Section 20 of the United States Housing Act of 1937
5 (42 U.S.C. 1437r) is amended—

6 (1) by striking the section heading and insert-
7 ing the following new section heading:

8 “RESIDENT OPPORTUNITY PROGRAM”;

9 (2) in the first 2 sentences of subsection (b), by
10 striking “resident management program” each place
11 it appears and inserting “resident opportunity pro-
12 gram”; and

13 (3) in subsection (f)—

14 (A) by striking “RESIDENT MANAGEMENT
15 TECHNICAL ASSISTANCE AND TRAINING” and
16 inserting “RESIDENT OPPORTUNITY ASSIST-
17 ANCE”;

18 (B) in paragraph (1), by adding at the end
19 the following new sentences: “In addition, the
20 Secretary may provide financial assistance to
21 resident management corporations or resident
22 councils for activities sponsored by resident or-
23 ganizations for job training, economic develop-
24 ment, security, and other self-sufficiency activi-

1 ties beyond those related to the management of
2 public housing. Any resident management cor-
3 poration or resident council may use such as-
4 sistance to enter into agreements with any local
5 community action agency receiving assistance
6 under the Community Services Block Grant Act
7 for such agency to carry out such activities.”;

8 (C) in paragraph (2), by striking
9 “\$100,000” and inserting “\$250,000”;

10 (D) by striking paragraph (3) and insert-
11 ing the following new paragraph:

12 “(3) FUNDING.—Of any amounts made avail-
13 able for financial assistance under section 14, the
14 Secretary may use to carry out this subsection
15 \$25,000,000 for fiscal year 1995 and \$25,000,000
16 for fiscal year 1996.”;

17 (E) by redesignating paragraphs (2)
18 through (4) as paragraphs (3) through (5), re-
19 spectively; and

20 (F) by inserting after paragraph (1) the
21 following new paragraph:

22 “(2) OTHER USES OF ASSISTANCE.—The Sec-
23 retary may use amounts available to carry out this
24 subsection to enter into contracts with—

“(A) various entities for monitoring, evaluation, technical assistance, and information dissemination in connection with activities under this subsection; and

“(B) resident organizations and public or private entities (including local community action agencies receiving assistance under the Community Services Block Grant Act) for activities that support the economic development and increased self-sufficiency of public housing residents.

Eligible activities related to economic development and self-sufficiency may include programs for counseling, treatment for substance abuse, child care, remedial education, job training, and development of resident businesses.”.

Subtitle B—Section 8 Rental Assistance

SEC. 121. MERGER OF SECTION 8 RENTAL ASSISTANCE PROGRAMS.

(a) IN GENERAL.—Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) is amended to read as follows:

“RENTAL HOUSING ASSISTANCE FOR LOW-INCOME FAMILIES

“SEC. 8. (a) AUTHORITY AND PURPOSE.—

1 “(1) IN GENERAL.—For the purposes of aiding
2 low-income families in obtaining a decent place to
3 live and promoting economically mixed housing, the
4 Secretary may provide assistance payments with re-
5 spect to existing housing in accordance with the pro-
6 visions of this section.

7 “(2) ELDERLY HOUSING.—Notwithstanding any
8 other provision of this Act, assistance payments
9 under this section may be provided, in accordance
10 with regulations prescribed by the Secretary, with
11 respect to some or all of the units in any project ap-
12 proved pursuant to section 202 of the Housing Act
13 of 1959 (as in effect before October 1, 1991).

14 “(b) ANNUAL CONTRIBUTIONS CONTRACTS FOR
15 RENTAL ASSISTANCE.—

16 “(1) IN GENERAL.—The Secretary may enter
17 into annual contributions contracts under this sub-
18 section with public housing agencies to provide rent-
19 al housing assistance under this section for low-in-
20 come families. Such annual contributions contracts
21 shall bind the Secretary to make such authority, and
22 any amendments increasing such authority, available
23 to the public housing agency for a specified period.

24 “(2) SECRETARY ACTING AS PHA.—In areas
25 where no public housing agency has been organized

1 or where the Secretary determines that a public
2 housing agency is unable to implement the provi-
3 sions of this section, the Secretary may enter into
4 such contracts and perform the other functions as-
5 signed to a public housing agency by this section.

6 “(3) TREATMENT OF ASSISTANCE FOR SUP-
7 PORTIVE HOUSING FOR THE DISABLED.—The Sec-
8 retary may not consider the receipt by a public hous-
9 ing agency of assistance under section 811(b)(1) of
10 the Cranston-Gonzalez National Affordable Housing
11 Act, or the amount received, in approving assistance
12 under this section for the agency or in determining
13 the amount of such assistance to be provided to the
14 agency.

15 “(c) ASSISTANCE CONTRACTS.—

16 “(1) IN GENERAL.—Each public housing agen-
17 cy that receives amounts under an annual contribu-
18 tions contract may enter into assistance contracts to
19 make rental assistance payments to owners of exist-
20 ing dwelling units in accordance with the provisions
21 of this section.

22 “(2) PHA ACTING AS OWNER.—A public hous-
23 ing agency may contract to make rental assistance
24 payments under this section to itself (or any agency
25 or instrumentality thereof) as the owner of dwelling

1 units, and the agency shall be subject to the same
2 program requirements as are applied to other own-
3 ers. In such cases, the Secretary may establish ini-
4 tial rents within applicable limits.

5 “(3) INAPPLICABLE PROVISIONS.—Sections 5(e)
6 and 6 and any other provisions of this Act that are
7 inconsistent with the provisions of this section shall
8 not apply to assistance contracts entered into pursu-
9 ant to this section.

10 “(d) MAXIMUM MONTHLY RENT.—

11 “(1) IN GENERAL.—Each assistance contract
12 entered into pursuant to this section shall establish
13 the maximum monthly rent (including utilities and
14 all maintenance and management charges) that the
15 owner is entitled to receive for each dwelling unit for
16 which rental assistance payments are to be made
17 under the contract. Except as provided in paragraph
18 (2), the maximum monthly rent shall not exceed by
19 more than 10 percent the fair market rental under
20 subsection (e) for the market area in which the
21 dwelling unit is located. If units assisted under this
22 section are exempt from local rent control while they
23 are so assisted or otherwise, the maximum monthly
24 rent for such units shall be reasonable in comparison

1 with other units in the market area that are exempt
2 from local rent control.

3 “(2) EXCEPTION.—The maximum monthly rent
4 may exceed the fair market rental—

5 “(A) by more than 10 but not more than
6 20 percent, but only if the Secretary determines
7 that special circumstances warrant such higher
8 maximum rent or that such higher rent is nec-
9 essary to the implementation of a comprehen-
10 sive housing affordability strategy under section
11 105 of the Cranston-Gonzalez National Afford-
12 able Housing Act; or

13 “(B) by such higher amount, only if re-
14 quested by the low-income family assisted and
15 approved by the public housing agency in ac-
16 cordance with subsection (f)(2).

17 “(3) ANNUAL ADJUSTMENTS.—Each assistance
18 contract shall provide for adjustment in the maxi-
19 mum monthly rents for units covered by the contract
20 not less than annually to reflect changes in the fair
21 market rentals established under subsection (e) for
22 the housing area for similar types and sizes of dwell-
23 ing units or, if the Secretary determines, on the
24 basis of a reasonable formula.

1 “(4) ADJUSTMENTS DUE TO EXPENSES.—Each
2 assistance contract shall further provide for the Sec-
3 retary to make additional adjustments in the maxi-
4 mum monthly rent for units assisted under the con-
5 tract to the extent the Secretary determines such ad-
6 justments are necessary to reflect changes in the ac-
7 tual and necessary expenses of owning and main-
8 taining the units that have resulted from substantial
9 general changes in real property taxes, utility rates,
10 or similar costs that are not adequately compensated
11 for by the adjustment in the maximum monthly rent
12 authorized by paragraph (3). The Secretary shall
13 make additional adjustments in the maximum
14 monthly rent for units under contract (subject to the
15 availability of appropriations for contract amend-
16 ments) to the extent the Secretary determines such
17 adjustments are necessary to reflect changes in the
18 actual and necessary expenses of owning and main-
19 taining the units that have resulted from the expira-
20 tion of a real property tax exemption.

21 “(5) ADJUSTMENTS DUE TO CRIMINAL ACTIV-
22 ITY.—If the Secretary determines that a project as-
23 sisted under this section is located in a community
24 where criminal activity is generally prevalent and the
25 operating, maintenance, and capital repair expenses

1 for the project have been substantially increased pri-
2 marily as a result of the prevalence of such activity,
3 the Secretary may (at the discretion of the Secretary
4 and subject to the availability of appropriations for
5 contract amendments for this purpose), on a project-
6 by-project basis, provide adjustments to the maxi-
7 mum monthly rents, to a level not exceeding 120
8 percent of the project rents, to cover the costs of
9 maintenance, security, capital repairs, and reserves
10 required for the owner to carry out a strategy ac-
11 ceptable to the Secretary for addressing the problem
12 of criminal activity. The Secretary may waive the
13 applicability of any rent comparability standard re-
14 quired under this subsection to implement this para-
15 graph.

16 “(6) ADJUSTMENTS DUE TO LEAD-BASED
17 PAINT REDUCTION FOR HOUSING RECEIVING
18 PROJECT-BASED ASSISTANCE.—The Secretary may
19 (at the discretion of the Secretary and subject to the
20 availability of appropriations for contract amend-
21 ments), on a project-by-project basis for projects re-
22 ceiving project-based assistance, provide adjustments
23 to the maximum monthly rents to cover the costs of
24 evaluating and reducing lead-based paint hazards, as

1 defined in section 1004 of the Residential Lead-
2 Based Paint Hazard Reduction Act of 1992.

3 “(7) LIMITATIONS ON ADJUSTMENTS.—

4 “(A) GENERAL COMPARABILITY RULE.—

5 Adjustments in the maximum rents under para-
6 graphs (3) through (6) shall not result in mate-
7 rial differences between the rents charged for
8 assisted units and unassisted units of similar
9 quality, type, and age in the same market area,
10 as determined by the Secretary.

11 “(B) COMPARABILITY STUDIES.—

12 “(i) To carry out subparagraph (A),
13 the Secretary shall issue regulations to
14 provide for conducting comparability stud-
15 ies for projects where the Secretary has
16 reason to believe that the application of the
17 formula adjustments under paragraph (3)
18 would result in such material differences.
19 The Secretary shall conduct such studies
20 upon the request of any owner of any
21 project, or as the Secretary determines to
22 be appropriate by establishing, to the ex-
23 tent practicable, a modified annual adjust-
24 ment factor for such market area, as the
25 Secretary shall designate, that is geo-

1 graphically smaller than the applicable
2 housing area used for the establishment of
3 the annual adjustment factor under para-
4 graph (3). The Secretary shall establish
5 such modified annual adjustment factor on
6 the basis of the results of a study con-
7 ducted by the Secretary of the rents
8 charged, and any change in such rents
9 over the previous year, for assisted units
10 and unassisted units of similar quality,
11 type, and age in the smaller market area.
12 Where the Secretary determines that such
13 modified annual adjustment factor cannot
14 be established or that such factor when ap-
15 plied to a particular project would result in
16 material differences between the rents
17 charged for assisted units and unassisted
18 units of similar quality, type, and age in
19 the same market area, the Secretary may
20 apply an alternative methodology for con-
21 ducting comparability studies in order to
22 establish rents that are not materially dif-
23 ferent from rents charged for comparable
24 unassisted units.

1 “(ii) If the Secretary or appropriate
2 State agency does not complete and submit
3 to the project owner a comparability study
4 not later than 60 days before the anniver-
5 sary date of the assistance contract under
6 this section, the automatic annual adjust-
7 ment factor shall be applied. The Secretary
8 may not reduce the contract rents in effect
9 on or after April 15, 1987, for newly con-
10 structed, substantially rehabilitated, or
11 moderately rehabilitated projects assisted
12 under this section (including projects as-
13 sisted under this section as in effect prior
14 to November 30, 1983), unless the project
15 has been refinanced in a manner that re-
16 duces the periodic payments of the owner.
17 Any maximum monthly rent that has been
18 reduced by the Secretary after April 14,
19 1987, and prior to November 7, 1988,
20 shall be restored to the maximum monthly
21 rent in effect on April 15, 1987.

22 “(iii) For any project which has had
23 its maximum monthly rents reduced after
24 April 14, 1987, the Secretary shall make
25 assistance payments (from amounts re-

1 served for the original contract) to the
2 owner of such project in an amount equal
3 to the difference between the maximum
4 monthly rents in effect on April 15, 1987,
5 and the reduced maximum monthly rents,
6 multiplied by the number of months that
7 the reduced maximum monthly rents were
8 in effect.

9 “(e) FAIR MARKET RENTALS.—

10 “(1) IN GENERAL.—The Secretary shall estab-
11 lish fair market rentals under this subsection peri-
12 odically, but not less than annually, for existing
13 rental dwelling units suitable for occupancy by low-
14 income families assisted under this section. The Sec-
15 retary shall establish the fair market rental by hous-
16 ing market area for various sizes and types of dwell-
17 ing units. For a market area, the fair market rental
18 for any size and type of dwelling unit shall be a dol-
19 lar amount not less than the amount that results in
20 the rents charged for 45 percent of the standard
21 quality rental units of such size and type in the mar-
22 ket area being less than such dollar amount. For
23 purposes of determining the dollar amount under the
24 preceding sentence, the Secretary shall consider only
25 rental units occupied by recent movers and shall not

1 consider public housing units, units for which mar-
2 ket rents cannot be determined, and newly con-
3 structed units.

4 “(2) EFFECTIVENESS AND ADJUSTMENT.—The
5 Secretary shall publish proposed fair market rentals
6 for each area in the Federal Register with reason-
7 able time for public comment, and such fair market
8 rentals shall become effective upon the date of publi-
9 cation in final form in the Federal Register. Each
10 fair market rental in effect under this subsection
11 shall be adjusted to be effective on October 1 of each
12 year to reflect changes, based on the most recent
13 available data trended so the rentals will be current
14 for the year to which they apply, of rents for exist-
15 ing rental dwelling units, as the case may be, of var-
16 ious sizes and types in the market area suitable for
17 occupancy by families assisted under this section.

18 “(3) CERTAIN AREAS.—The Secretary shall es-
19 tablish separate fair market rentals under this sub-
20 section for Westchester County in the State of New
21 York. The Secretary shall also establish separate fair
22 market rentals under this paragraph for Monroe
23 County in the Commonwealth of Pennsylvania. In
24 establishing fair market rentals for the remaining
25 portion of the market areas in which Monroe County

1 is located, the Secretary shall establish the fair mar-
2 ket rentals as if such portion included Monroe
3 County.

4 “(4) REQUIRED REVIEW.—If at any time, for
5 any public housing agency, more than 50 percent of
6 the families on behalf of whom assistance is provided
7 under this section by the agency are paying as rent
8 more than the amount specified under section 3(a)
9 (as authorized in subsection (f)(2)), the agency shall
10 review the fair market rentals established under this
11 subsection for the market areas in the jurisdiction of
12 the public housing agency.

13 “(f) AMOUNT OF MONTHLY ASSISTANCE PAYMENT
14 AND DUE PROCESS RIGHTS.—

15 “(1) IN GENERAL.—Except as provided in para-
16 graph (2), the amount of the monthly assistance
17 payment under this section with respect to any
18 dwelling unit shall be the difference between the
19 maximum monthly rent that the contract provides
20 that the owner is to receive for the unit and the rent
21 the family is required to pay under section 3(a).

22 “(2) INCREASED FAMILY PAYMENT.—A family
23 on behalf of whom tenant-based assistance payments
24 are made under this section may pay as rent for a
25 dwelling unit assisted under this section more than

1 the amount specified under section 3(a), but only
2 if—

3 “(A) the family notifies the public housing
4 agency of its interest in a unit renting for an
5 amount that exceeds the permissible maximum
6 monthly rent established for the market area
7 under subsection (d);

8 “(B) such agency determines that the rent
9 for the unit and the rental payments of the
10 family are reasonable, after taking into account
11 other family expenses (including child care, un-
12 reimbursed medical expenses, transportation,
13 and other appropriate family expenses;

14 “(C) such amount does not exceed 40 per-
15 cent of the family’s monthly adjusted income;
16 and

17 “(D) the public housing agency has first
18 exercised any authority under paragraphs (1)
19 and (2)(A) of subsection (d) to increase the
20 maximum monthly rent for the dwelling unit.

21 The amount of the monthly assistance payment
22 under this section with respect to a dwelling unit for
23 a family paying rent as provided in this paragraph
24 shall be the difference between an amount based on

1 the fair market rent and the rent the family is re-
2 quired to pay under section 3(a).

3 “(3) INCREASES IN ASSISTANCE PAYMENTS.—

4 The Secretary shall take any action necessary, in-
5 cluding making contracts for assistance payments in
6 amounts exceeding the amounts required upon the
7 initial renting of dwelling units, reserving annual
8 contributions authority for the purpose of amending
9 assistance contracts, or allocating a portion of new
10 authorizations for the purpose of amending assist-
11 ance contracts, to ensure that assistance payments
12 are increased on a timely basis to cover increases in
13 maximum monthly rents or decreases in family in-
14 comes.

15 “(4) REVIEWS OF FAMILY INCOMES.—

16 “(A) IN GENERAL.—Reviews of family in-
17 comes for purposes of this section shall be made
18 annually and shall be subject to the provisions
19 of section 904(e) of the Stewart B. McKinney
20 Homeless Assistance Amendments Act of 1988.
21 For families for whom an increased rental pay-
22 ment has been approved under paragraph (2),
23 such review shall include determining whether
24 the rent for the unit and the rental payments
25 of the family continue to be reasonable, in ac-

1 cordance with subparagraphs (B) and (C) of
2 paragraph (2).

3 “(B) PROCEDURES.—The Secretary shall
4 establish procedures that are appropriate and
5 necessary to ensure that income data provided
6 to public housing agencies and owners by fami-
7 lies applying for or receiving assistance under
8 this section is complete and accurate.

9 “(C) CONFIDENTIALITY.—Any income in-
10 formation received pursuant to this paragraph
11 shall remain confidential and shall be used only
12 for the purpose of verifying incomes in order to
13 determine eligibility of families for benefits (and
14 the amount of such benefits, if any) under this
15 section.

16 “(5) DUE PROCESS RIGHTS IN CASES OF AD-
17 VERSE ACTION.—In the case of any action proposed
18 to be taken by a public housing agency, any family
19 receiving assistance under this section adversely af-
20 fected by such action shall have the right to at least
21 the basic elements of due process with regard to
22 such action, as follows:

23 “(A) Written notice of the intended ad-
24 verse action and the reason for such action
25 shall be provided to the family not less than 30

1 days before the action is to be taken, or, in a
2 case where the health or safety of other families
3 is threatened, a reasonable period of time con-
4 sidering the seriousness of the situation (but
5 not to exceed 30 days).

6 “(B) The family shall have the right to re-
7 quest a hearing within 30 days after receipt of
8 the notice.

9 “(C) The family shall have the right to a
10 hearing before an impartial hearing officer.

11 “(D) The family shall have the right to be
12 represented at the hearing by an attorney or
13 other advocate.

14 “(E) The family shall have the right to ex-
15 amine the evidence supporting the action and
16 all evidence that the public housing agency in-
17 tends to use.

18 “(F) The family shall have the right to
19 present testimonial and documentary evidence
20 and to cross-examine adverse witnesses.

21 “(G) The hearing officer shall issue a writ-
22 ten decision, which shall be based solely upon
23 the evidence introduced at the hearing and
24 which shall state the basis of the decision.

25 “(g) ELIGIBILITY OF UNITS FOR ASSISTANCE.—

1 “(1) OCCUPANCY STATUS.—Each assistance
2 contract shall provide that assistance payments may
3 be made only with respect to the following dwelling
4 units:

5 “(A) OCCUPIED UNITS.—A dwelling unit
6 under lease for occupancy by a family deter-
7 mined to be a low-income family at the time it
8 initially occupies the dwelling unit or by a fam-
9 ily that qualifies to receive assistance under this
10 section pursuant to section 223 or 226 of the
11 Low-Income Housing Preservation and Resi-
12 dent Homeownership Act of 1990.

13 “(B) UNOCCUPIED UNITS.—An unoccupied
14 dwelling unit, but only if—

15 “(i)(I) a family vacates the dwelling
16 unit before the expiration date of the lease
17 for occupancy, or (II) a good faith effort is
18 being made to fill the unoccupied unit; and

19 “(ii) the costs of such vacancy are not
20 charged to or paid by the family vacating
21 the dwelling unit.

22 Payments for units referred to in this subpara-
23 graph may be made only for a period not ex-
24 ceeding 60 days, except that such payments
25 may be made, in the case of a newly con-

1 structed or substantially rehabilitated project,
2 after the expiration of such 60-day period in an
3 amount equal to the debt service attributable to
4 such an unoccupied dwelling unit for a period
5 not to exceed one year, if a good faith effort is
6 being made to fill the unit and the unit provides
7 decent, safe, and sanitary housing. No such
8 payment may be made after the expiration of
9 such 60-day period if the Secretary determines
10 that the dwelling unit is in a project which pro-
11 vides the owner with revenues exceeding the
12 costs incurred by such owner with respect to
13 such project.

14 “(2) OWNER’S STATUS.—A public housing
15 agency shall not approve the rental of a dwelling
16 unit if the owner—

17 “(A) is debarred, suspended, or subject to
18 limited denial of participation under part 24 of
19 title 24, Code of Federal Regulations; or

20 “(B) has been convicted of drug traffick-
21 ing.”

22 “(h) OTHER PROVISIONS OF ASSISTANCE CON-
23 TRACTS.—Contracts to make assistance payments entered
24 into by any public housing agency (or by the Secretary)

1 with an owner of existing housing units shall meet the fol-
2 lowing requirements:

3 “(1) CONTRACT TERM.—Each assistance con-
4 tract shall have a term of not less than one month
5 nor more than 180 months. The Secretary shall per-
6 mit public housing agencies to enter into assistance
7 contracts having terms of less than 12 months to the
8 extent necessary to avoid disruption in assistance to
9 eligible families if the annual contributions contract
10 for the agency under subsection (b) will expire with-
11 in 1 year.

12 “(2) PREFERENCES.—Each assistance contract
13 shall provide that, in making assistance available
14 pursuant to the contract—

15 “(A) for not less than 70 percent of the
16 families who initially receive project-based as-
17 sistance, and

18 “(B) for not less than 90 percent of the
19 families who initially receive tenant-based as-
20 sistance in any 1-year period,

21 preference shall be given to families that (i) occupy
22 substandard housing (including families that are
23 homeless or living in a shelter for homeless families),
24 (ii) are paying more than 50 percent of family in-
25 come for rent, or (iii) are involuntarily displaced (in-

1 including displacement because of disposition of a mul-
2 tifamily housing project under section 203 of the
3 Housing and Community Development Amendments
4 of 1978) at the time they are seeking assistance
5 under this section.

6 “(3) SECONDARY PREFERENCES.—Each assist-
7 ance contract shall provide that, for any assistance
8 remaining in any 1-year period after assistance is
9 made available pursuant to paragraph (2), pref-
10 erence for such assistance shall be given to families
11 who qualify under a system of local preferences es-
12 tablished by the public housing agency in writing
13 and after public hearing to respond to local housing
14 needs and priorities, which may include—

15 “(A) assisting very low-income families
16 who either reside in transitional housing as-
17 sisted under title IV of the Stewart B. McKin-
18 ney Homeless Assistance Act or participate in
19 a program designed to provide public assistance
20 recipients with greater access to employment
21 and educational opportunities;

22 “(B) assisting families in accordance with
23 subsection (q)(1)(B);

24 “(C) assisting families identified by local
25 public agencies involved in providing for the

1 welfare of children as having a lack of adequate
2 housing that is a primary factor in the immi-
3 nent placement of a child in foster care, or in
4 preventing the discharge of a child from foster
5 care and reunification with his or her family;

6 “(D) assisting youth, upon discharge from
7 foster care, in cases in which return to the fam-
8 ily or extended family or adoption is not avail-
9 able;

10 “(E) assisting veterans who are eligible
11 and have applied for assistance, will use the as-
12 sistance for a dwelling unit designed for the
13 handicapped, and, upon discharge or eligibility
14 for discharge from a hospital or nursing home,
15 have physical disability which, because of the
16 configuration of their homes, prevents them
17 from access to or use of their homes; and

18 “(F) achieving other objectives of national
19 housing policy as established by law.

20 “(4) TENANT SELECTION.—Each assistance
21 contract shall provide that the selection of tenants
22 for such dwelling units shall be the function of the
23 owner, subject to any provisions of the annual con-
24 tributions contract between the Secretary and the

1 agency. The owner shall use tenant selection criteria,
2 which shall provide as follows:

3 “(A) PROHIBITION OF PERSONS ENGAGED
4 IN DRUG ACTIVITY.—The criteria shall prohibit
5 any individual or family evicted from housing
6 assisted under this Act by reason of drug-relat-
7 ed criminal activity from having a preference
8 under any provision of this paragraph for 3
9 years unless the evicted tenant successfully
10 completes a rehabilitation program approved by
11 the agency or owner. The agency or the owner
12 may waive the application of the preceding sen-
13 tence under standards established by the Sec-
14 retary, which shall provide for such waiver for
15 any member of a family of an individual prohib-
16 ited from tenancy under this subparagraph who
17 the agency or owner determines clearly did not
18 participate in and had no knowledge of such
19 criminal activity or when circumstances leading
20 to eviction no longer exist.

21 “(B) OTHER REQUIREMENTS FOR
22 PROJECT-BASED ASSISTANCE.—With respect
23 only to project-based assistance, the criteria
24 shall—

1 “(i) be consistent with the purpose of
2 improving housing opportunities for very
3 low-income families;

4 “(ii) be reasonably related to program
5 eligibility and an applicant’s ability to per-
6 form the obligations of the assisted lease;

7 “(iii) be established in writing; and

8 “(iv) provide for the owner to prompt-
9 ly provide to any rejected applicant (I)
10 written notice of the grounds for the rejec-
11 tion, and (II) an opportunity to meet with
12 the decision maker to evaluate the validity
13 of the reasons for rejection and rectify any
14 erroneous decisions.

15 “(5) LEASE PROVISIONS.—Each assistance con-
16 tract shall provide that the lease between the tenant
17 of any unit and the owner—

18 “(A) shall be for at least one year or the
19 term of such assistance contract, whichever is
20 shorter;

21 “(B) shall contain other terms and condi-
22 tions specified by the Secretary, including provi-
23 sions meeting the requirements of paragraphs
24 (6), (7), and (8); and

1 “(C) shall be in a standard form which is
2 used in the local housing market area by the
3 owner and which applies generally to tenants in
4 the property who are not assisted under this
5 section, together with any addendum necessary
6 to include in the lease the provisions required
7 under subparagraph (B).

8 “(6) GENERAL GROUNDS FOR TERMINATION OF
9 TENANCY.—Each assistance contract shall provide
10 that the owner shall not terminate the tenancy of
11 the tenant of any unit except for serious or repeated
12 violation of the terms and conditions of the lease, for
13 violation of applicable Federal, State, or local law, or
14 for other good cause. The withholding of assistance
15 payments for a dwelling unit pursuant to paragraph
16 (10) shall not constitute good cause for termination
17 of the tenancy of the tenant of the unit.

18 “(7) TERMINATION FOR ACTIVITY.—Each as-
19 sistance contract shall provide that any criminal ac-
20 tivity that threatens the health, safety, or right to
21 peaceful enjoyment of the premises by other tenants,
22 any activity that threatens the health, safety, or
23 right to peaceful enjoyment of their residences by
24 persons residing in the immediate vicinity of the
25 premises, or any drug-related criminal activity on or

1 near such premises, engaged in by a tenant of any
2 unit, any member of the tenant's household, or any
3 guest or other person under the tenant's control,
4 shall be cause for termination of tenancy.

5 “(8) NOTICE OF TERMINATION OF TENANCY.—

6 Each assistance contract shall provide that before
7 terminating the tenancy of any tenant, the owner
8 shall provide written notice to the tenant specifying
9 the legal and factual grounds for such action, which
10 shall be provided in accordance with any require-
11 ments under State or local law.

12 “(9) MAINTENANCE AND REPLACEMENT.—

13 Each assistance contract shall provide that mainte-
14 nance and replacement (including redecoration) shall
15 be performed in accordance with the standard prac-
16 tice for the building concerned as established by the
17 owner and agreed to by the agency (or the Sec-
18 retary). With the approval of the Secretary, the pub-
19 lic housing agency administering a contract under
20 this section with respect to existing housing units
21 may exercise all management and maintenance re-
22 sponsibilities with respect to the units pursuant to a
23 contract between such agency and the owner of such
24 units.

25 “(10) HOUSING QUALITY STANDARDS.—

1 “(A) INSPECTION.—The Secretary shall
2 require (with respect to any unit) that (A) the
3 public housing agency inspect the unit before
4 any assistance payment may be made to deter-
5 mine that it meets housing quality standards
6 for decent, safe, and sanitary housing estab-
7 lished by the Secretary for the purpose of this
8 section, and (B) the public housing agency
9 make annual or more frequent inspections dur-
10 ing the contract term. No assistance payment
11 may be made for a dwelling unit which fails to
12 meet such quality standards, unless any such
13 failure is promptly corrected by the owner and
14 the correction verified by the public housing
15 agency.

16 “(B) FAILURE TO CORRECT SERIOUS NON-
17 COMPLIANCE.—If any serious noncompliance
18 with such standards is not corrected within a
19 reasonable period of time after such notifica-
20 tion, the agency (or the Secretary) may with-
21 hold some or all of the assistance amounts
22 under this section with respect to the unit and
23 promptly—

1 “(i) use such amounts to make nec-
2 essary repairs or contract to have such re-
3 pairs made;

4 “(ii) release any withheld amounts to
5 the owner after repairs are made by the
6 owner, in an amount not exceeding the
7 cost of the repairs; or

8 “(iii) release any withheld amounts to
9 the applicable State or local housing agen-
10 cy after repairs are made by such agency,
11 in an amount not exceeding the cost of the
12 repairs.

13 “(11) STANDARDS AND OBLIGATIONS OF RESI-
14 DENCY IN HOUSING RECEIVING PROJECT-BASED AS-
15 SISTANCE.—Each assistance contract for project-
16 based assistance under subsection (i) shall provide
17 that the owner shall ensure and maintain compliance
18 with subtitle C of title VI of the Housing and Com-
19 munity Development Act of 1992 and any regula-
20 tions issued under such subtitle.

21 “(12) SERVICE COORDINATORS.—In determin-
22 ing the amount of assistance provided under an as-
23 sistance contract for tenant-based assistance under
24 this paragraph, the Secretary may increase the
25 amount annually provided with respect to such

1 project to provide for the costs of employing or oth-
2 erwise retaining the services of one or more service
3 coordinators under section 671 of the Housing and
4 Community Development Act of 1992 to coordinate
5 the provision of any services within the project for
6 residents of the project who are elderly or disabled
7 families.

8 “(13) OTHER.—Each assistance contract shall
9 provide that the agency and the owner shall carry
10 out such other appropriate terms and conditions as
11 may be mutually agreed to by the agency and owner.

12 “(i) PROJECT-BASED ASSISTANCE.—

13 “(1) AUTHORITY.—Pursuant to an annual con-
14 tributions contract entered into under subsection
15 (b), a public housing agency may enter into a assist-
16 ance contract providing for assistance payments
17 under this section that are attached to a structure.

18 “(2) REQUIREMENTS.—Any public housing
19 agency may approve project-based assistance under
20 this subsection with respect to any or all of the as-
21 sistance provided by the public housing agency if—

22 “(A) the owner agrees to rehabilitate the
23 structure other than with assistance under this
24 Act and the owner otherwise complies with the
25 requirements of this section; and

1 “(B) in the case of any newly constructed
2 structure, the owner or prospective owner
3 agrees to construct the structure other than
4 with assistance under this Act and otherwise
5 complies with the requirements of this section.

6 “(3) LONG-TERM AFFORDABILITY.—

7 “(A) IN GENERAL.—In the case of an as-
8 sistance contract for project-based assistance
9 under this subsection, a public housing agency
10 shall enter into a contract with an owner, con-
11 tingent upon the future availability of appro-
12 priations for the purpose of renewing expiring
13 contracts for assistance payments as provided
14 in appropriations Acts, to extend the term of
15 the underlying assistance contract for such pe-
16 riod or periods as the Secretary determines to
17 be appropriate to achieve long-term afford-
18 ability of the housing. The contract shall obli-
19 gate the owner to have the extensions of the as-
20 sistance contract accepted by the owner and the
21 owner’s successors in interest.

22 “(B) TERM OF ASSISTANCE FOR LOW-IN-
23 COME HOUSING PRESERVATION.—The contract
24 for assistance may, at the option of the public
25 housing agency, have an initial term not exceed-

1 ing 15 years for any assistance that is at-
2 tached—

3 “(i) to projects assisted under a State
4 program that permits the owner of the
5 projects to prepay a State assisted or sub-
6 sidized mortgage on the structure; and

7 “(ii) for the purpose of providing in-
8 centives to owners to preserve such
9 projects for occupancy by low- and mod-
10 erate-income families (for the period that
11 assistance under this subparagraph is
12 available) and assisting low-income tenants
13 to afford any increases in rent that may be
14 required to induce the owner to maintain
15 occupancy in the project by low- and mod-
16 erate-income tenants.

17 Any assistance provided to low-income tenants
18 in the manner described in this subparagraph
19 shall not be considered for purposes of the limi-
20 tation under subsection (h)(2) regarding the
21 percentage of families that may receive assist-
22 ance under this section who do not qualify for
23 preferences under such subsection.

24 “(4) SERVICE COORDINATORS.—In determining
25 the amount of assistance provided under an assist-

1 ance contract for project-based assistance under this
2 subsection or a contract for assistance for housing
3 constructed or substantially rehabilitated pursuant
4 to assistance provided under section 8(b)(2) of this
5 Act (as such section existed before October 1, 1983),
6 the Secretary may increase the amount annually
7 provided with respect to such project to provide for
8 the costs of employing or otherwise retaining the
9 services of one or more service coordinators under
10 section 671 of the Housing and Community Devel-
11 opment Act of 1992 to coordinate the provision of
12 any services within the project for residents of the
13 project who are elderly or disabled families.

14 “(j) TERMINATION OF ASSISTANCE CONTRACTS.—

15 “(1) TERMINATION OF TENANT-BASED ASSIST-
16 ANCE.—

17 “(A) NOTICE BY OWNER.—Any owner ter-
18 minating any assistance contract under this sec-
19 tion for tenant-based assistance shall provide
20 written notice to the public housing agency and
21 the tenants involved of the proposed termi-
22 nation not less than 30 days before the termi-
23 nation of the contract. The notice shall specify
24 the date of the termination and the reasons for
25 the termination, with detail sufficient to enable

1 the agency to evaluate whether the termination
2 is lawful.

3 “(B) REVIEW OF NOTICE BY PHA.—The
4 public housing agency shall review the notice
5 and issue a written finding of the legality of the
6 termination and the reasons for the termi-
7 nation. Within 5 days after issuance of the
8 findings, the owner shall provide written notice
9 to each tenant of the decision, together with the
10 written findings of the agency regarding the
11 termination.

12 “(2) TERMINATION OF PROJECT-BASED ASSIST-
13 ANCE CONTRACTS.—

14 “(A) NOTICE BY OWNER.—Any owner ter-
15 minating any assistance contract under sub-
16 section (i) for project-based assistance shall
17 provide written notice to the Secretary and the
18 tenants involved of the proposed termination
19 not less than one year before the termination of
20 the contract. The notice shall specify the date
21 of the termination and the reasons for the ter-
22 mination, with detail sufficient to enable the
23 Secretary to evaluate whether the termination
24 is lawful and whether additional actions can be
25 taken by the Secretary to avoid the termination.

1 The notice shall include a statement that the
2 owner and the Secretary may agree to a re-
3 newal of the contract, thus avoiding the termi-
4 nation.

5 “(B) REVIEW OF NOTICE BY SEC-
6 RETARY.—The Secretary shall review the no-
7 tice, shall consider whether additional actions
8 can be taken by the Secretary to avoid the ter-
9 mination, and shall ensure a proper adjustment
10 of the contract rents for the project in compli-
11 ance with the requirements of subsection (d)
12 and subparagraph (C) of this subsection. The
13 Secretary shall issue a written finding of the le-
14 gality of the termination and the reasons for
15 the termination, including the actions consid-
16 ered or taken to avoid the termination. Within
17 30 days after issuance of the findings, the
18 owner shall provide written notice to each ten-
19 ant of the decision, together with the written
20 findings of the Secretary regarding the termi-
21 nation. The Secretary and the owner shall com-
22 plete the actions under this paragraph not later
23 than the expiration of the 9-month period be-
24 ginning upon the date that the owner provides

1 written notice of termination under subpara-
2 graph (A).

3 “(3) ADJUSTMENT OF CONTRACT RENT.—If an
4 owner provides notice of proposed termination under
5 paragraph (1)(A) or (2)(A) and the contract rent is
6 less than the maximum monthly rent for units as-
7 sisted under this section, the Secretary shall adjust
8 the contract rent based on the maximum monthly
9 rent for units assisted under this section and the
10 value of the low-income housing.

11 “(4) NOTICE OF RENT INCREASES.—Each as-
12 sistance contract for assistance under this section
13 shall require the owner to notify tenants at least 90
14 days before the expiration of the contract of any
15 rent increase which may occur as a result of the ex-
16 piration of such contract.

17 “(5) DEFINITION OF TERMINATION.—For pur-
18 poses of this subsection, the term ‘termination’
19 means the expiration of the assistance contract or
20 the refusal of the owner to renew an assistance con-
21 tract, which shall include the termination of tenancy
22 by an owner for business reasons.

23 “(k) RENTAL ASSISTANCE FOR MANUFACTURED
24 HOUSING.—

1 “(1) IN GENERAL.—The Secretary may enter
2 into contracts to make assistance payments under
3 this subsection to assist low-income families by mak-
4 ing rental assistance payments on behalf of any such
5 family that utilizes a manufactured home as its prin-
6 cipal place of residence. In carrying out this sub-
7 section, the Secretary may—

8 “(A) enter into annual contributions con-
9 tracts with public housing agencies pursuant to
10 which such agencies may enter into assistance
11 contracts to make such assistance payments to
12 the owners of such real property, if such owners
13 agree to make good faith efforts to ensure that
14 such property complies with local health and
15 safety standards for water and sewage systems;
16 or

17 “(B) enter into such contracts directly
18 with the owners of such real property, if such
19 owners agree to make good faith efforts to en-
20 sure that such property complies with local
21 health and safety standards for water and sew-
22 age systems.

23 “(2) USE OF ASSISTANCE.—Rental assistance
24 payments under this subsection may be made with
25 respect to the rental of the real property on which

1 is located a manufactured home that is owned by a
2 low-income family or with respect to the rental by
3 such a family of a manufactured home and the real
4 property on which it is located.

5 “(3) ASSISTANCE FOR RENTAL OF MANUFAC-
6 TURED HOME SITE.—

7 “(A) MAXIMUM MONTHLY RENT.—A con-
8 tract entered into pursuant to this paragraph
9 shall establish the maximum monthly rent (in-
10 cluding maintenance and management charges)
11 that the owner is entitled to receive for the
12 space on which a manufactured home is located
13 and with respect to which assistance payments
14 are to be made. The maximum monthly rent
15 shall not exceed an amount approved or estab-
16 lished by the Secretary.

17 “(B) AMOUNT OF MONTHLY ASSISTANCE
18 PAYMENT.—The amount of any monthly assist-
19 ance payment with respect to any family that
20 rents real property that is assisted under this
21 paragraph, and on which is located a manufac-
22 tured home that is owned by such family shall
23 be the difference between the rent the family is
24 required to pay under section 3(a) and the sum
25 of—

1 “(i) the monthly payment made by
2 such family to amortize the cost of pur-
3 chasing the manufactured home;

4 “(ii) the monthly utility payments
5 made by such family, subject to reasonable
6 limitations prescribed by the Secretary;
7 and

8 “(iii) the maximum monthly rent per-
9 mitted with respect to the real property
10 which is rented by such family for the pur-
11 pose of locating its manufactured home;

12 except that in no case may such assistance ex-
13 ceed the total amount of such maximum month-
14 ly rent.

15 “(4) ASSISTANCE FOR RENTAL OF MANUFAC-
16 TURED HOME AND SITE.—

17 “(A) MAXIMUM MONTHLY RENT.—Con-
18 tracts entered into pursuant to this paragraph
19 shall establish the maximum monthly rent per-
20 mitted with respect to the manufactured home
21 and the real property on which it is located and
22 with respect to which assistance payments are
23 to be made. The maximum monthly rent shall
24 not exceed an amount approved or established
25 by the Secretary.

1 “(B) AMOUNT OF MONTHLY ASSISTANCE
2 PAYMENT.—The amount of any monthly assist-
3 ance payment with respect to any family that
4 rents a manufactured home and the real prop-
5 erty on which it is located and that is assisted
6 under this paragraph shall be the difference be-
7 tween the rent the family is required to pay
8 under section 3(a) and the sum of—

9 “(i) the monthly utility payments
10 made by such family, subject to reasonable
11 limitations prescribed by the Secretary;
12 and

13 “(ii) the maximum monthly rent per-
14 mitted with respect to the manufactured
15 home and real property on which it is lo-
16 cated.

17 “(5) ADJUSTMENT OF MAXIMUM MONTHLY
18 RENTS.—The provisions of paragraphs (3) through
19 (7) of subsection (d) shall apply to the adjustments
20 of maximum monthly rents under this subsection.

21 “(6) CONTRACT TERM.—Each contract entered
22 into under the subsection shall be for a term of not
23 less than one month and not more than 180 months;
24 except that in any case in which the manufactured
25 home park is substantially rehabilitated or newly

1 constructed, such term may not be less than 240
2 months, nor more than the maximum term for a
3 manufactured home loan permitted under section
4 2(b) of the National Housing Act.

5 “(7) APPLICABILITY.—The Secretary may carry
6 out this subsection without regard to whether the
7 manufactured home park is existing, substantially
8 rehabilitated, or newly constructed.

9 “(8) LIMITATION ON SUBSTANTIALLY REHA-
10 BILITATED AND NEWLY CONSTRUCTED MANUFAC-
11 TURED HOME PARKS.—In the case of any substan-
12 tially rehabilitated or newly constructed manufac-
13 tured home park containing spaces with respect to
14 which assistance is made under this subsection, the
15 principal amount of the mortgage attributable to the
16 rental spaces within the park may not exceed an
17 amount established by the Secretary which is equal
18 to or less than the limitation for manufactured home
19 parks described in section 207(c)(3) of the National
20 Housing Act, and the Secretary may increase such
21 limitation in high cost areas in the manner described
22 in such section.

23 “(9) OTHER REQUIREMENTS.—The Secretary
24 may prescribe other terms and conditions necessary
25 for the purpose of carrying out this subsection and

1 that are consistent with the purposes of this sub-
2 section.

3 “(l) SINGLE ROOM OCCUPANCY FACILITIES.—

4 “(1) AUTHORITY.—In making assistance avail-
5 able under this section and assistance under section
6 441 and part V of subtitle F of title IV of the Stew-
7 art B. McKinney Homeless Assistance Act, the Sec-
8 retary may provide assistance with respect to resi-
9 dential properties in which some or all of the dwell-
10 ing units do not contain bathroom or kitchen facili-
11 ties, if the unit of general local government in which
12 the property is located and the local public housing
13 agency certify to the Secretary that the property
14 complies with local health and safety standards.

15 “(2) WAIVER OF LIMITATIONS ON ASSISTANCE
16 FOR SINGLE PERSONS.—The Secretary may waive,
17 in appropriate cases, the limitation and preference in
18 section 3(b)(3)(A) with respect to the assistance
19 made available under this subsection.

20 “(m) HOUSING FOR ELDERLY AND DISABLED FAMI-
21 LIES.—

22 “(1) SHARED HOUSING.—To assist elderly fam-
23 ilies and disabled families (as defined in section
24 3(b)) who elect to live in a shared housing arrange-
25 ment in which they benefit as a result of sharing the

1 facilities of a dwelling with others in a manner that
2 effectively and efficiently meets their housing needs
3 and thereby reduces their costs of housing, the Sec-
4 retary shall permit assistance provided under this
5 section to be used by such families in such arrange-
6 ments. In carrying out this subsection, the Secretary
7 shall issue minimum habitability standards for the
8 purpose of ensuring decent, safe, and sanitary hous-
9 ing for such families while taking into account the
10 special circumstances of shared housing.

11 “(2) PRIORITY FOR NONELDERLY DISABLED
12 FAMILIES.—In allocating assistance under this sec-
13 tion, a public housing agency that serves more than
14 one unit of general local government may, at the dis-
15 cretion of the agency, give priority to disabled fami-
16 lies that are not elderly families.

17 “(3) AUTHORITY TO PROVIDE PREFERENCES
18 FOR THE ELDERLY AND RESERVE UNITS FOR THE
19 DISABLED.—Notwithstanding subsection (h)(2) or
20 (3), an owner of a covered section 8 housing project
21 (as such term is defined in section 659 of the Hous-
22 ing and Community Development Act of 1992) may
23 give preference for occupancy of dwelling units in
24 the project, and reserve units for occupancy, in ac-

1 cordance with subtitle D of title VI of the Housing
2 and Community Development Act of 1992.

3 “(n) ADMINISTRATIVE FEES.—

4 “(1) BASIC FEE FOR TENANT-BASED RENTAL
5 PROGRAM.—The Secretary shall establish a fee for
6 the costs incurred by a public housing agency in ad-
7 ministering the program for rental assistance under
8 this section, which shall be, together with other fees
9 authorized under this subsection, included in any
10 amounts provided to the public housing agency
11 under the annual contributions contract for the
12 agency. The amount of the fee for each month for
13 which a dwelling unit is covered by an assistance
14 contract shall be 8.2 percent of the fair market rent-
15 al established under subsection (e) for a 2-bedroom
16 existing rental dwelling unit in the market area of
17 the public housing agency. The Secretary may in-
18 crease the fee if necessary to reflect the higher costs
19 of administering small programs and programs oper-
20 ating over large geographic areas.

21 “(2) OTHER FEES.—The Secretary shall also
22 establish reasonable fees (as determined by the Sec-
23 retary) for—

24 “(A) the costs of preliminary expenses that
25 a public housing agency documents it has in-

1 curred in connection with new allocations of as-
2 sistance under the program for rental assist-
3 ance under this section, which shall not exceed
4 \$275 per unit assisted;

5 “(B) the costs incurred in assisting fami-
6 lies who experience difficulty (as determined by
7 the Secretary) in obtaining appropriate housing
8 under the program; and

9 “(C) extraordinary costs approved by the
10 Secretary.

11 “(3) BUDGET COMPLIANCE.—The Secretary
12 may establish or increase a fee in accordance with
13 this subsection only to such extent or in such
14 amounts as are provided in appropriation Acts.

15 “(4) FEES FOR 1995 AND 1996.—Notwithstand-
16 ing any other provision of this subsection, the basic
17 fee for the costs incurred by a public housing agency
18 in administering the program for rental assistance
19 under this section during fiscal years 1995 and 1996
20 shall be equal to the fee determined for fiscal year
21 1993 under section 11(a) of the HUD Demonstra-
22 tion Act of 1993.

23 “(o) PORTABILITY OF ASSISTANCE.—

24 “(1) AUTHORITY.—Except as provided in para-
25 graphs (3) and (4), any family on behalf of whom

1 is provided tenant-based rental assistance under this
2 section and who moves to an eligible dwelling unit
3 located within the same State, or the same or a con-
4 tiguous metropolitan statistical area, as the metro-
5 politan statistical area within which is located the
6 area of jurisdiction of the public housing agency ap-
7 proving the assistance for the family, may use such
8 assistance to rent such eligible dwelling unit.

9 “(2) ADMINISTRATION.—The public housing
10 agency having authority with respect to the dwelling
11 unit to which a family moves under this subsection
12 shall have the responsibility of carrying out the pro-
13 visions of this section with respect to the family. If
14 no public housing agency has authority with respect
15 to the dwelling unit to which a family moves under
16 this subsection, the public housing agency approving
17 the assistance shall have such responsibility.

18 “(3) LOCAL OPTION TO ENSURE MINIMUM AREA
19 RESIDENCY.—At the discretion of a public housing
20 agency, the agency may provide that a family not
21 living within the jurisdiction of a public housing
22 agency at the time such family applies for or re-
23 ceives assistance from the agency may use tenant-
24 based rental assistance under this section to rent an
25 eligible dwelling unit that is not located within the

1 area of jurisdiction of the agency approving the as-
2 sistance only if, before such use, the family has
3 rented and occupied an eligible dwelling unit within
4 such original jurisdiction for not less than 12 con-
5 secutive months using assistance provided by such
6 agency.

7 “(4) PROHIBITION OF PORTABILITY IN CASES
8 OF LEASE VIOLATION.—A family may not use ten-
9 ant-based rental assistance as provided in paragraph
10 (1) if the family has moved from a dwelling unit in
11 violation of the lease for the dwelling unit.

12 “(5) ALLOCATIONS DUE TO PORTABILITY.—In
13 determining the amount of rental assistance pro-
14 vided under an annual contributions contract for any
15 fiscal year, the Secretary shall consider any reduc-
16 tion in the number of resident families incurred by
17 a public housing agency in the preceding fiscal year
18 as a result of the provisions of this subsection.

19 “(6) PROVISION OF RENTAL ASSISTANCE FOR
20 PORTABILITY PURPOSES.—

21 “(A) AMOUNT.—To the extent amounts for
22 assistance under this section that are reserved
23 under section 213(d)(4) of the Housing and
24 Community Development Act of 1974 are avail-
25 able in a fiscal year, the Secretary shall provide

1 rental assistance under this section in accord-
2 ance with this paragraph.

3 “(B) USE.—Amounts provided for use
4 under this paragraph shall be used only to pro-
5 vide a public housing agency with additional
6 amounts (as determined under subparagraph
7 (C)) to provide assistance for families on behalf
8 of whom assistance is provided under this sec-
9 tion by another public housing agency and who
10 move into an eligible dwelling unit located with-
11 in the area of jurisdiction of the agency to re-
12 ceive assistance under this paragraph.

13 “(C) REQUIREMENT.—Amounts provided
14 for use under this paragraph may be made
15 available to a public housing agency in a fiscal
16 year only if, during such fiscal year, the agency
17 has provided assistance pursuant to the first
18 sentence of paragraph (2) on behalf of families
19 who have moved into eligible dwelling units lo-
20 cated within the area of jurisdiction of the
21 agency in an amount not less than the lesser of
22 (i) 5 percent of the total amount received by
23 the agency for assistance under this section for
24 the fiscal year, or (ii) the amount necessary to
25 assist 25 percent of the average annual number

1 of families previously assisted by the agency
2 who relinquish such assistance in a year (based
3 on the preceding 3 calendar years).

4 “(p) PROHIBITION OF DISCRIMINATION.—In select-
5 ing families for the provision of assistance under this sec-
6 tion, a public housing agency may not exclude or penalize
7 a family solely because the family resides in a public hous-
8 ing project.

9 “(q) SPECIAL USES OF RENTAL ASSISTANCE.—

10 “(1) ASSISTANCE FOR RESIDENTS OF REHA-
11 BILITATED PROJECTS.—In the case of low-income
12 families living in rental projects rehabilitated under
13 section 17 of this Act or section 533 of the Housing
14 Act of 1949 before rehabilitation—

15 “(A) tenant-based rental assistance under
16 this section shall be provided for families who
17 are required to move out of their dwelling units
18 because of the physical rehabilitation activities
19 or because of overcrowding;

20 “(B) at the discretion of each public hous-
21 ing agency, tenant-based rental assistance
22 under this section may be provided for families
23 who would have to pay more than 30 percent of
24 their adjusted income for rent after rehabilita-

1 tion whether they choose to remain in, or to
2 move from, the project; and

3 “(C) the Secretary shall allocate tenant-
4 based rental assistance provided under this sec-
5 tion to ensure that sufficient resources are
6 available to address the physical or economic
7 displacement, or potential economic displace-
8 ment, of existing tenants pursuant to subpara-
9 graphs (A) and (B).

10 “(2) LOAN MANAGEMENT ASSISTANCE.—

11 “(A) IN GENERAL.—The Secretary may
12 provide assistance under this section through a
13 loan management program to assist financially
14 troubled multifamily residential housing
15 projects (i) subject to mortgages that are in-
16 sured under the National Housing Act or mort-
17 gages that have been assigned to the Secretary,
18 (ii) that were held by the Secretary and have
19 been sold, and (iii) that were assisted under
20 section 202 of the Housing Act of 1959.

21 “(B) ELIGIBILITY.—The eligibility of a
22 multifamily residential project for loan manage-
23 ment assistance under this paragraph shall be
24 determined without regard to whether the
25 project is subsidized or unsubsidized.

1 “(C) EXTENSION OF CONTRACT.—The
2 Secretary shall extend any expiring contract en-
3 tered into under this section for loan manage-
4 ment assistance or execute a new contract for
5 project-based loan management assistance, if
6 the owner agrees to continue providing housing
7 for low-income families during the term of the
8 contract.

9 “(3) ASSISTANCE FOR FAMILY UNIFICATION.—

10 “(A) IN GENERAL.—The Secretary may
11 provide assistance under this section to be used
12 only in connection with tenant-based assistance
13 under this section on behalf of any family (i)
14 who is otherwise eligible for such assistance,
15 and (ii) who the public child welfare agency for
16 the jurisdiction has certified is a family for
17 whom the lack of adequate housing is a primary
18 factor in the imminent placement of the fami-
19 ly’s child or children in out-of-home care or the
20 delayed discharge of a child or children to the
21 family from out-of-home care.

22 “(B) ALLOCATION.—Any amounts made
23 available under this paragraph shall be allo-
24 cated by the Secretary through a national com-
25 petition among applicants based on dem-

1 onstrated need for assistance under this para-
2 graph. To be considered for assistance, an ap-
3 plicant shall submit to the Secretary a written
4 proposal containing a report from the public
5 child welfare agency serving the jurisdiction of
6 the applicant that describes how a lack of ade-
7 quate housing in the jurisdiction is resulting in
8 the initial or prolonged separation of children
9 from their families, and how the applicant will
10 coordinate with the public child welfare agency
11 to identify eligible families and provide the fam-
12 ilies with assistance under this paragraph.

13 “(C) DEFINITIONS.—For purposes of this
14 paragraph:

15 “(i) APPLICANT.—The term ‘appli-
16 cant’ means a public housing agency.

17 “(ii) PUBLIC CHILD WELFARE AGEN-
18 CY.—The term ‘public child welfare agen-
19 cy’ means the public agency responsible
20 under applicable State law for determining
21 that a child is at imminent risk of place-
22 ment in out-of-home care or that a child in
23 out-of-home care under the supervision of
24 the public agency may be returned to his
25 or her family.

1 “(D) REPORT.—The Secretary shall in-
2 clude in each annual report of the Secretary
3 under section 8 of the Department of Housing
4 and Urban Development Act information speci-
5 fying the number of families assisted pursuant
6 to this paragraph during the preceding 2-year
7 period and the number of communities in which
8 such assistance was used, describing the extent
9 of cooperation between public housing agencies
10 and public child welfare agencies in timely iden-
11 tifying families for which such assistance is ap-
12 propriate and in providing such assistance, and
13 describing any impediments to providing such
14 assistance.

15 “(r) RENEWAL OF EXPIRING CONTRACTS.—

16 “(1) 5-YEAR PLAN.—Not later than 30 days
17 after the beginning of each fiscal year, the Secretary
18 shall publish in the Federal Register a plan for re-
19 ducing, to the extent feasible, year-to-year fluctua-
20 tions in the levels of budget authority that will be
21 required over the succeeding 5-year period to renew
22 expiring assistance contracts entered into under this
23 section after the enactment of the Housing and
24 Community Development Act of 1974. To the extent
25 necessary to carry out such plan and to the extent

1 approved in appropriations Acts, the Secretary is au-
2 thorized to enter into annual contributions contracts
3 with terms of less than 60 months.

4 “(2) NEW CONSTRUCTION AND SUBSTANTIAL
5 REHABILITATION PROJECTS.—Subject only to the
6 availability of budget authority to carry out this
7 paragraph and to the absence of owners agreeing to
8 enter into new contracts, the Secretary shall enter
9 into new contracts under subtitle D of title I of the
10 Housing and Community Development Act of 1994
11 to provide project-based assistance for qualified
12 housing (as such term is defined in section 163 of
13 such subtitle) to owners of such housing.

14 “(s) GENERAL PROVISIONS.—

15 “(1) PLEDGING ASSISTANCE CONTRACTS AS SE-
16 CURITY.—An owner may pledge, or offer as security
17 for any loan or obligation, an assistance contract en-
18 tered into pursuant to this section, but only if such
19 security is in connection with a project constructed
20 or rehabilitated pursuant to authority under this
21 section and the terms of the financing or any refi-
22 nancing have been approved by the Secretary.

23 “(2) HOUSING COUNSELING FOR RENTAL
24 CHOICE.—Each public housing agency that provides
25 rental housing assistance under this section on be-

1 half of low-income families shall notify such assisted
2 families of the availability of any entity in the juris-
3 diction of the agency providing rental housing coun-
4 seling under section 106(a)(4) of the Housing and
5 Urban Development Act of 1968.

6 “(t) DEFINITIONS.—For purposes of this section:

7 “(1) ANNUAL CONTRIBUTIONS CONTRACT.—
8 The term ‘annual contributions contract’ means a
9 contract under subsection (b) between the Secretary
10 and a public housing agency to provide amounts for
11 rental assistance payments under this section to the
12 public housing agency.

13 “(2) ASSISTANCE CONTRACT.—The term ‘as-
14 sistance contract’ means a contract under subsection
15 (c) between a public housing agency (or the Sec-
16 retary) and an owner to make rental assistance pay-
17 ments under this section to the owner.

18 “(3) DEBT SERVICE.—The term ‘debt service’
19 means the required payments for principal and in-
20 terest made with respect to a mortgage secured by
21 housing assisted under this Act.

22 “(4) DRUG-RELATED CRIMINAL ACTIVITY.—The
23 term ‘drug-related criminal activity’ means the ille-
24 gal manufacture, sale, distribution, use, or posses-
25 sion with intent to manufacture, sell, distribute, or

1 use, of a controlled substance (as such term is de-
2 fined in section 102 of the Controlled Substances
3 Act).

4 “(5) OWNER.—The term ‘owner’ means any
5 private person or entity, including a cooperative, an
6 agency of the Federal Government, or a public hous-
7 ing agency, having the legal right to lease or sub-
8 lease dwelling units, and such term shall include any
9 principals, general partners, primary shareholders,
10 and other similar participants in any entity owning
11 a multifamily housing project (as such term is de-
12 fined in subsection (p)(3)), as well as the entity
13 itself.

14 “(6) PARTICIPATING JURISDICTION.—The term
15 ‘participating jurisdiction’ means a State or unit of
16 general local government designated by the Sec-
17 retary to be a participating jurisdiction under title
18 II of the Cranston-Gonzalez National Affordable
19 Housing Act.

20 “(7) PROJECT-BASED ASSISTANCE.—The term
21 ‘project-based assistance’ means rental assistance
22 under this section that is attached to a structure
23 pursuant to subsection (i).

24 “(8) RENT.—The terms ‘rent’ and ‘rental’ in-
25 clude, with respect to members of a cooperative, the

1 charges under the occupancy agreements between
2 such members and the cooperative.

3 “(9) RENTAL ASSISTANCE.—The term ‘rental
4 assistance’ means assistance provided under this sec-
5 tion on behalf of low-income families for the rental
6 of a dwelling unit.

7 “(10) TENANT-BASED ASSISTANCE.—The term
8 ‘tenant-based assistance’ means rental assistance
9 under this section that is not project-based assist-
10 ance.”.

11 (b) CONFORMING AMENDMENTS.—

12 (1) UNITED STATES HOUSING ACT OF 1937.—
13 The United States Housing Act of 1937 is amend-
14 ed—

15 (A) in section 3(a)(1) (42 U.S.C.
16 1437a(a)(1)), by striking “(other than a family
17 assisted under section 8(o) or (y) or paying rent
18 under section 8(c)(3)(B))” and inserting
19 “(other than a family assisted under section
20 8(t) or paying rent under section 8(f)(2))”;

21 (B) in section 5 (42 U.S.C. 1437c)—

22 (i) in subsection (c)(7)(C), by striking
23 “section 8(b)(1)” each place it appears and
24 inserting “section 8”;

1 (ii) in subsection (j)(1)(B)(i), by strik-
2 ing “section 8(o)(6)” and inserting “sec-
3 tion 8”; and

4 (iii) in subsection (j)(1)(D), by strik-
5 ing “subsection (b) or (o) of”;

6 (C) in section 6(p)(1)(B) (42 U.S.C.
7 1437d(p)(1)(B)), by striking “holding certifi-
8 cates and vouchers” and inserting “eligible and
9 approved for assistance”;

10 (D) in section 21(b)(3)—

11 (i) by striking “a certificate under
12 section 8(b)(1) or a housing voucher under
13 section 8(o)” and inserting “tenant-based
14 assistance under section 8”; and

15 (ii) by striking “such certificate” and
16 inserting “such assistance”;

17 (E) in section 23—

18 (i) in subsection (a), by striking “as-
19 sistance under the certificate and voucher
20 programs” and inserting “tenant-based as-
21 sistance”;

22 (ii) in subsection (b)—

23 (I) in paragraph (1), by striking
24 “assistance under subsection (b) or

1 (o) of” and inserting “tenant-based
2 assistance under”; and

3 (II) in paragraph (4), by striking
4 “Assistance under the certificate or
5 voucher programs” and inserting
6 “Tenant-based assistance”;

7 (iii) in subsection (c)(1), by striking
8 “assistance under the certificate and
9 voucher programs of” and inserting “ten-
10 ant-based assistance from”;

11 (iv) in subsection (d)(3) (as added by
12 section 185(b) of the Housing and Com-
13 munity Development Act of 1992 (Public
14 Law 102–550; 106 Stat. 3747)), by strik-
15 ing “section 8(y)” and inserting “section
16 8(t)”;

17 (v) in subsection (h)(1)—

18 (I) by striking “section 8(q) for
19 the costs incurred in administering
20 the provision of certificate and vouch-
21 er” and inserting “section 8(n) for the
22 costs incurred in administering the
23 provision of tenant-based”; and

1 (II) by striking “section
2 8(q)(2)(A)(i)” and inserting “section
3 8(n)(2)(A)”; and

4 (G) in section 304(g)(3) (42 U.S.C.
5 1437aaa-3(g)(3)), by striking “section 8(b)(2)
6 and section 8(o)(9)” and inserting “section 8”.

7 (2) ALLOCATION OF ASSISTED HOUSING
8 FUNDS.—Section 213 of the Housing and Commu-
9 nity Development Act of 1974 (42 U.S.C. 1439) is
10 amended—

11 (A) in subsection (d)—

12 (i) in paragraph (1)(A)(ii), by striking
13 “section 8(b)(1)” each place it appears and
14 inserting “section 8”; and

15 (ii) in paragraph (2), by striking “sec-
16 tion 8(d)” and inserting “section 8(i)”;

17 (B) in subsection (e), by striking “section
18 8(b)(1)” and inserting “section 8”.

19 (3) SUPPORTIVE HOUSING FOR ELDERLY FAMI-
20 LIES.—Section 801(d)(1)(B) of the Cranston-Gon-
21 zalez National Affordable Housing Act (12 U.S.C.
22 1701q note) is amended by striking “section
23 8(c)(1)” and inserting “section 8(e)”.

1 (4) ELDERLY INDEPENDENCE.—Section 803 of
2 the Cranston-Gonzalez National Affordable Housing
3 Act (42 U.S.C. 8012) is amended—

4 (A) in subsection (a), by striking “housing
5 certificates and vouchers” and inserting “assist-
6 ance under section 8 of the United States
7 Housing Act of 1937”; and

8 (B) in subsection (b)—

9 (i) in the 1st sentence, by striking
10 “not more than 1,500 incremental vouch-
11 ers and certificates under sections 8(b) and
12 8(o) of the United States Housing Act of
13 1937” and inserting “incremental assist-
14 ance under section 8 of the United States
15 Housing Act of 1937 on behalf of not more
16 than 1,500 frail elderly persons”;

17 (ii) in the 3rd sentence, by striking
18 “the housing certificate or voucher pro-
19 gram of the agency” and inserting “the
20 agency’s program for assistance under
21 such section 8”; and

22 (iii) in the last sentence, by striking
23 “sections 8(b) and 8(o)” and inserting
24 “section 8”.

1 (5) REVISED CONGREGATE HOUSING SERV-
2 ICES.—Section 802(k)(6)(B) of the Cranston-Gon-
3 zalez National Affordable Housing Act (42 U.S.C.
4 8011(k)(6)(B)) is amended by striking “subsection
5 (d)(2)” and inserting “subsection (i)”.

6 (6) HOUSING FOR PERSONS WITH AIDS.—Sub-
7 title D of title VIII of the Cranston-Gonzalez Na-
8 tional Affordable Housing Act is amended—

9 (A) in section 859(a)(2) (42 U.S.C.
10 12908(a)(2)) by striking “section 8(p)” each
11 place it appears and inserting “section
12 8(m)(1)”; and

13 (B) in section 860(a) (42 U.S.C.
14 12909(a)), by striking “section 8(n)” and in-
15 serting “section 8(l)”.

16 (7) MCKINNEY ACT.—Section 441(b) of the
17 Stewart B. McKinney Homeless Assistance Act (42
18 U.S.C. 11401(b)) is amended—

19 (A) by striking “section 8(n)” and insert-
20 ing “section 8(l)”; and

21 (B) by adding at the end the following new
22 sentence: “Moderate rehabilitation under this
23 section shall be carried out in the manner pro-
24 vided under the provisions of section 8(e) of the
25 United States Housing Act of 1937, as such

1 section was in effect (pursuant to section
2 289(b)(2) of the Cranston-Gonzalez National
3 Affordable Housing Act) immediately before the
4 enactment of the Housing and Community De-
5 velopment Act of 1994.”.

6 (8) FLEXIBLE SUBSIDY PROGRAM.—Section
7 201 of the Housing and Community Development
8 Amendments of 1978 (12 U.S.C. 1715z–1a) is
9 amended—

10 (A) in subsection (m)(2)(A), by striking
11 “section 8(b)(1)” and inserting “section 8”;
12 and

13 (B) in subsection (o), by striking “section
14 8(v)” and inserting “section 8(q)(2)”.

15 (9) HUD-OWNED PROJECTS.—Section 203 of
16 the Housing and Community Development Amend-
17 ments of 1978 (12 U.S.C. 1701z–11) is amended—

18 (A) in subsection (e)(1)(D)—

19 (i) in clause (i)(IV), by inserting be-
20 fore the semicolon the following: “, as such
21 section was in effect (pursuant to section
22 289(b)(2) of the Cranston-Gonzalez Na-
23 tional Affordable Housing Act) imme-
24 diately before the enactment of the Hous-

1 ing and Community Development Act of
2 1994”; and

3 (ii) in clause (ii), by striking “section
4 8(b)” and inserting “section 8”;

5 (B) in subsection (g)(2), by striking “,
6 8(d)(1)(A)(i), and 8(o)(3)(B)” and inserting “
7 and 8(h)(2)(iii)”;

8 (C) in subsection (h)(2), by striking “sec-
9 tion 8(c)” and inserting “section 8(e)”.

10 (10) HOUSING ACCESS.—Section 204 of the
11 Housing and Community Development Amendments
12 of 1978 (12 U.S.C. 1701z–12) is amended by strik-
13 ing “to a holder of a certificate of eligibility under
14 that section solely because of such prospective ten-
15 ant’s status as a certificate holder” and inserting
16 “to a family that is approved for assistance under
17 such section solely because of such family’s status as
18 assisted under such section”.

19 (11) ELIHPA OF 1987.—The references in sec-
20 tions 225(b)(3)(D), 226(a)(3), and 228(a)(4) of the
21 Emergency Low Income Housing Preservation Act
22 of 1987 (as in effect immediately before the enact-
23 ment of the Cranston-Gonzalez National Affordable
24 Housing Act) to section 8(b) of the United States
25 Housing Act of 1937 shall be considered to refer to

1 section 8(e) of the United States Housing Act of
2 1937 (as amended by the Housing and Community
3 Development Act of 1994).

4 (12) LIHPRHA OF 1990.—Title II of the Hous-
5 ing and Community Development Act of 1987 (42
6 U.S.C. 4101 et seq.) is amended—

7 (A) in section 215(a)—

8 (i) in paragraph (1), by striking “sec-
9 tion 8(c)” and inserting “section 8(e)”;
10 and

11 (ii) in paragraph (2), by striking “sec-
12 tion 8(c)(1)” and inserting “section
13 8(e)(1)”;

14 (B) in section 220(d)(3)(B), by striking
15 “section 8(c)” and inserting “section 8(e)”;

16 (C) in section 222—

17 (i) in subsection (a)(2)(D), by striking
18 “section 8(c)” and inserting “section
19 8(e)”;

20 (ii) in subsection (d)(2)(C)(i), by
21 striking “sections 8(b) and 8(o) of the
22 United States Housing Act of 1937 (other
23 than project-based assistance attached to
24 the housing)” and inserting “tenant-based

1 assistance under section 8 of the United
2 States Housing Act of 1937”;

3 (D) in section 223(a), by striking “the cer-
4 tificate and voucher programs under sections
5 8(b) and 8(o)” and inserting “section 8”; and

6 (E) in section 226(b)(6)(B), by striking
7 “sections 8(d)(1)(A) and 8(o)(3)” and inserting
8 “section 8(h)(2)”.

9 (13) DISASTER RELIEF.—

10 (A) TENANT-BASED ASSISTANCE.—Section
11 931 of the Cranston-Gonzalez National Afford-
12 able Housing Act (42 U.S.C. 1437c note) is
13 amended—

14 (i) in the section heading, by striking
15 “**CERTIFICATES AND VOUCHERS**” and
16 inserting “**TENANT-BASED ASSIST-**
17 **ANCE**”; and

18 (ii) by striking “assistance under the
19 certificate and voucher programs under
20 sections 8 (b) and (o)” and inserting “ten-
21 ant-based assistance under section 8”.

22 (B) MODERATE REHABILITATION ASSIST-
23 ANCE.—Section 932 of the Cranston-Gonzalez
24 National Affordable Housing Act (42 U.S.C.
25 1437c note) is amended by inserting after

1 “such Act” the following: “, as such section was
2 in effect (pursuant to section 289(b)(2) of the
3 Cranston-Gonzalez National Affordable Hous-
4 ing Act) immediately before the enactment of
5 the Housing and Community Development Act
6 of 1994,”.

7 (14) PUBLIC HOUSING MINCS DEMONSTRA-
8 TION.—Section 522(f)(6)(B) of the Cranston-Gon-
9 zalez National Affordable Housing Act (42 U.S.C.
10 1437f note) is amended—

11 (A) by striking “assistance under section
12 8(b)” and inserting “tenant-based assistance
13 under section 8”; and

14 (B) by striking “section 8(d)(1)(A)(i)” and
15 inserting “section 8(h)(2)”.

16 (15) PUBLIC HOUSING NEW CONSTRUCTION IN-
17 COME ELIGIBILITY.—Section 545(c)(2) of the Cran-
18 ston-Gonzalez National Affordable Housing Act (42
19 U.S.C. 1437f note) is amended by striking “section
20 8(d)(1)(A)(ii)” and inserting “section 8(h)(3)”.

21 (16) SECTION 8 EXCESSIVE RENT BURDEN
22 DATA.—Section 550(b) of the Cranston-Gonzalez
23 National Affordable Housing Act (42 U.S.C. 1437f
24 note) is amended—

1 (A) in paragraph (1), by striking “under
2 the certificate and voucher programs estab-
3 lished” and inserting “with tenant-based assist-
4 ance”;

5 (B) in the first sentence of paragraph (2),
6 by striking “, for each” and all that follows
7 through “participating in the program” and in-
8 serting “the percentage of families receiving
9 tenant-based assistance”; and

10 (C) in paragraph (3), by striking “assist-
11 ance under the certificate or voucher program”
12 and inserting “tenant-based assistance under
13 section 8 of the United States Housing Act of
14 1937”.

15 (17) RURAL HOUSING PRESERVATION
16 GRANTS.—Section 533(a) of the Housing Act of
17 1949 (42 U.S.C. 1490m) is amended by striking
18 “assistance payments as provided by section 8(o)”
19 and inserting “tenant-based assistance payments
20 under section 8 (including assistance in accordance
21 with section 8(f)(2))”.

22 (18) FEDERALLY ASSISTED HOUSING OCCU-
23 PANCY STANDARDS.—Section 643(b)(2) of the Hous-
24 ing and Community Development Act of 1992 (42

1 U.S.C. 13603(b)(2)) is amended by striking “section
2 8(d)(1)” and inserting “section 8(h)”.

3 (19) RESERVATION OF SECTION 8 UNITS FOR
4 DISABLED FAMILIES.—Section 655 of the Housing
5 and Community Development Act of 1992 (42
6 U.S.C. 13615) is amended by striking “section
7 8(d)(1)(A)(i) of the United States Housing Act of
8 1937 and the first sentence of section 8(o)(3)(B) of
9 such Act” and inserting “section 8(h)(2) of the
10 United States Housing Act of 1937”.

11 (20) GAO REPORT ON LEAD EXPOSURE.—Sec-
12 tion 1056(a) of the Housing and Community Devel-
13 opment Act of 1992 (42 U.S.C. 4855) is amended
14 by striking “subsections (b) and (o) of”.

15 (21) NATIONAL HOUSING ACT.—The National
16 Housing Act is amended—

17 (A) in section 203(v) (12 U.S.C. 1709(v)),
18 as added by section 185(c)(1)(B) of the Hous-
19 ing and Community Development Act of 1992,
20 by striking “section 8(y)” and inserting “sec-
21 tion 8(t)”;

22 (B) in section 236(f)(5)(A)(i) (12 U.S.C.
23 1715z–1(f)(5)(A)(i)), by striking “section 8(c)”
24 and inserting “section 8(e)”.

1 (c) APPLICABILITY.—The amendments under this
2 section are made on the date of the enactment of this Act,
3 but shall apply on and after October 1, 1996, only to as-
4 sistance under section 8 of the United States Housing Act
5 of 1937 provided pursuant to an assistance contract en-
6 tered into or renewed on or after such date. Any such as-
7 sistance provided pursuant to an assistance contract en-
8 tered into before such date shall be subject to the provi-
9 sions of such section 8 as in effect immediately before the
10 enactment of this Act or otherwise applicable to such as-
11 sistance.

12 (d) TRANSITION.—

13 (1) CONVERSION.—The Secretary may provide
14 for the conversion of assistance under the certificate
15 and voucher programs, as such programs existed be-
16 fore the date of the enactment of this Act, to the
17 certificate program established under the amend-
18 ments under this section.

19 (2) CONTINUATION OF ASSISTANCE.—The Sec-
20 retary of Housing and Urban Development shall
21 take any action necessary to ensure that the provi-
22 sion of assistance under section 8 of the United
23 States Housing Act of 1937 to families receiving as-
24 sistance under such section on the date of the enact-

1 ment of this Act is not interrupted because of the
2 amendments under this section.

3 (e) REGULATIONS.—The Secretary shall implement
4 the amendments under this section by regulation issued
5 after notice and opportunity for public comment.

6 (f) HOUSING CONSELING FOR HOMEOWNERSHIP AND
7 RENTAL CHOICE.—

8 (1) RENTAL COUNSELING.—Section 106(a) of
9 the Housing and Urban Development Act of 1968
10 (12 U.S.C. 1701x(a)) is amended by adding at the
11 end the following new paragraph:

12 “(4) RENTAL COUNSELING.—The Secretary of Hous-
13 ing and Urban Development may contract with national,
14 State, or community-based entities (including local com-
15 munity action agencies receiving assistance under the
16 Community Services Block Grant Act), and consortia of
17 such entities, and local public or private organizations (in-
18 cluding public housing agencies) to carry out counseling
19 activities for current and prospective residents of public
20 housing and housing assisted under section 8 of the
21 United States Housing Act of 1937. Contractors shall be
22 selected on a competitive basis, in accordance with selec-
23 tion criteria determined by the Secretary. The contractors
24 shall carry activities prescribed by the Secretary. Each en-
25 tity receiving assistance pursuant to this paragraph shall

1 make counseling and assistance under this paragraph
 2 available to low-income families who are current or pro-
 3 spective residents of public housing and housing assisted
 4 under section 8 of the United States Housing Act of 1937,
 5 including counseling and assistance regarding housing op-
 6 portunities in the area of jurisdiction of the public housing
 7 agency involved and assistance in obtaining new rental
 8 residences in areas within such jurisdiction not having
 9 high concentrations of persons living in poverty.”.

10 (2) NOTIFICATION.—Subparagraph (C) of sec-
 11 tion 106(c)(5) of the Housing and Urban Develop-
 12 ment Act of 1968 (12 U.S.C. 1701x(c)(5)(C)) is
 13 amended to read as follows:

14 “(C) NOTIFICATION.—Notification under
 15 subparagraph (A) shall not be required with re-
 16 spect to any loan for which the eligible home-
 17 owner pays the amount overdue before the expi-
 18 ration of the 45-day period under subparagraph
 19 (B)(ii).”.

20 **SEC. 122. INCENTIVES TO REFINANCE HIGH INTEREST**
 21 **MORTGAGES FOR SECTION 8 PROJECTS.**

22 Section 8 of the United States Housing Act of 1937
 23 (42 U.S.C. 1437f), as amended by the preceding provi-
 24 sions of this Act, is further amended by adding at the end
 25 the following new subsection:

1 “(v) REFINANCING INCENTIVE.—For a project that
2 (1) was constructed, substantially rehabilitated, or mod-
3 erately rehabilitated under this section, (2) is subject to
4 an assistance contract under this section, and (3) was sub-
5 ject to a mortgage that has been refinanced under section
6 223(a)(7) or section 223(f) of the National Housing Act
7 to lower the periodic debt service payments of the owner,
8 the Secretary may pay the owner the amount of the up
9 front costs to the owner of refinancing. The Secretary may
10 make such payments only from savings in the amount of
11 assistance payments, as determined by the Secretary on
12 a project-by-project basis and after application of amounts
13 in accordance with section 1012 of the Stewart B. McKin-
14 ney Homeless Assistance Amendments Act of 1988, that
15 result from the refinancing during the first year after the
16 refinancing.”.

17 **SEC. 123. USE OF EXCESS RESIDUAL RECEIPTS.**

18 (a) IN GENERAL.—The Secretary of Housing and
19 Urban Development shall, in conjunction with State hous-
20 ing agencies, under which the Secretary, at the request
21 of owners of qualified projects, make amounts in the ac-
22 count for residual receipts or excess amounts for the quali-
23 fied projects available for use to expand the supply of af-
24 fordable housing.

1 (b) LIMITATION.—The Secretary may not make any
2 amounts available for use under this section from the ac-
3 count of a qualified project for residual receipts or excess
4 amounts unless the amount remaining in the account, to-
5 gether with replacement reserves for the project, is suffi-
6 cient (in the determination of the Secretary) to maintain,
7 manage, and preserve the project as affordable housing.

8 (c) QUALIFIED PROJECTS.—For purposes of this sec-
9 tion, the term “qualified project” means a housing
10 project—

11 (1) assisted with project-based assistance under
12 section 8 of the United States Housing Act of 1937;
13 or

14 (2) constructed or substantially rehabilitated
15 pursuant to assistance provided under section
16 8(b)(2) of the United States Housing Act of 1937,
17 as such section existed before November 30, 1983.

18 **SEC. 124. RENEWAL OF EXPIRING SECTION 8 CONTRACTS.**

19 (a) REQUIREMENT.—Subject only to the availability
20 of budget authority to carry out this section, not later than
21 October 1, 1995, the Secretary of Housing and Urban De-
22 velopment shall make an offer to the owner of each hous-
23 ing project assisted under an expiring contract to extend
24 the term of the expiring contract for 24 months beyond
25 the date of the expiration of the contract.

1 (b) TERMS OF EXTENSION.—Except for terms or
2 conditions relating to the duration of the contract, the
3 terms and conditions under the extension provided pursu-
4 ant to this subsection of any expiring contract shall be
5 identical to the terms and conditions under the expiring
6 contract.

7 (c) DEFINITION OF EXPIRING CONTRACT.—For pur-
8 poses of this section, the term “expiring contract” means
9 a contract for assistance pursuant to section 8(b)(2) of
10 the United States Housing Act of 1937 (as such section
11 existed before October 1, 1983) having a term that expires
12 before October 1, 1996.

13 (d) DISPLACEMENT ASSISTANCE.—The Secretary of
14 Housing and Urban Development may make available to
15 tenants residing in units covered by an expiring contract
16 that is not extended pursuant to this section either—

17 (1) tenant-based assistance under section 8 of
18 the United States Housing Act of 1937; or

19 (2) a unit with respect to which project-based
20 assistance is provided under section 8 of the United
21 States Housing Act of 1937.

22 (e) AUTHORIZATION OF APPROPRIATIONS.—There
23 are authorized to be appropriated such sums as may be
24 necessary to carry out this section.

1 **SEC. 125. TREATMENT OF CERTAIN PROJECTS.**

2 (a) CONVERSION OF SECTION 23 PROJECT.—From
3 amounts available for the conversion of the Tamaqua
4 Highrise project in the Borough of Tamaqua, Pennsylva-
5 nia, from a leased housing contract under section 23 of
6 the United States Housing Act of 1937 to tenant-based
7 assistance under section 8 of such Act, the Secretary of
8 Housing and Urban Development shall, to the extent such
9 amounts are made available in appropriation Acts, enter
10 into an obligation for the conversion of the project to a
11 project-based rental assistance contract under section 8 of
12 such Act, notwithstanding the requirement for rehabilita-
13 tion or the percentage limitations under section 8(d)(2)
14 of such Act (as in effect before the date of the enactment
15 of this Act) and subparagraph (A) of section 8(i)(2) of
16 such Act (as amended by section 143 of this Act).

17 (b) COMPLIANCE WITH REHABILITATION REQUIRE-
18 MENT.—Rehabilitation activities undertaken by E.T.C.
19 Enterprises in connection with 16 scattered-site dwelling
20 units that were rehabilitated to provide housing for low-
21 income families and are located in Perth Amboy, New Jer-
22 sey, and rehabilitation activities undertaken by Pennrose
23 Properties in connection with 40 dwelling units for senior
24 citizens in the Providence Square development located in
25 New Brunswick, New Jersey, are hereby deemed to have
26 been conducted pursuant to the approval of and an agree-

1 ment with the Secretary of Housing and Urban Develop-
 2 ment under clauses (i) and (ii) of the third sentence of
 3 section 8(d)(2)(A) of the United States Housing Act of
 4 1937 (as in effect before the date of the enactment of this
 5 Act) and subparagraph (A) of section 8(i)(2) of such Act
 6 (as amended by section 143 of this Act).

7 **Subtitle C—Homeownership Programs**

8 **SEC. 131. NATIONAL HOMEOWNERSHIP FUND.**

9 Subtitle A of title III of the Cranston-Gonzalez Na-
 10 tional Affordable Housing Act (42 U.S.C. 12701 note) is
 11 amended to read as follows:

12 **“Subtitle A—National Homeownership Fund**

13 **“SEC. 301. SHORT TITLE.**

14 “This subtitle may be cited as the ‘National Home-
 15 ownership Fund Act’.

16 **“SEC. 302. AUTHORITY.**

17 “The Secretary of Housing and Urban Development
 18 may make grants under this subtitle to States (including
 19 State housing finance agencies), local housing finance
 20 agencies, and nonprofit housing intermediaries to provide
 21 assistance, in accordance with the provisions of this sub-
 22 title, for the acquisition of principal residences for first-
 23 time homebuyers (including homebuyers buying shares in
 24 limited equity cooperatives).

1 **“SEC. 303. ELIGIBLE ASSISTANCE.**

2 “A grantee may use amounts received under this sub-
3 title only to provide assistance to first-time homebuyers
4 in the following manners:

5 “(1) DOWNPAYMENT ASSISTANCE.—Assistance
6 payments to provide amounts for the downpayment
7 (including closing costs and other costs payable at
8 the time of closing) on a mortgage for the home-
9 buyer.

10 “(2) SECOND MORTGAGE ASSISTANCE.—Assist-
11 ance payments to provide loans that have such terms
12 for payment of interest and principal as may be de-
13 termined by the grantee.

14 “(3) CAPITALIZATION OF REVOLVING LOAN
15 FUNDS.—To establish revolving loan funds (or to
16 make grants to public organizations or agencies to
17 establish such funds) to provide homeownership as-
18 sistance to eligible first-time homebuyers in accord-
19 ance with the provisions of this subtitle. Any grantee
20 under this subtitle (and any subgrantee of such a
21 grantee) shall provide an equal amount of local in-
22 vestment for such revolving loan fund and any pro-
23 ceeds or repayments from loans made under this
24 paragraph shall be returned to the revolving loan
25 fund established under this paragraph to be used for
26 purposes related to this section.

1 “(4) INTEREST RATE BUYDOWNS.—Assistance
2 payments so that the rate of interest payable on a
3 mortgage by the homebuyer does not exceed 6 per-
4 cent.

5 **“SEC. 304. ELIGIBILITY REQUIREMENTS.**

6 “(a) HOMEBUYER.—Assistance may be provided only
7 to homebuyers meeting the following requirements:

8 “(1) FIRST-TIME HOMEBUYER.—The home-
9 buyer is an individual who—

10 “(A)(i) (and whose spouse) has had no
11 ownership in a principal residence during the 3-
12 year period ending on the date of purchase of
13 the property with respect to which assistance
14 payments are made under this subtitle;

15 “(ii) is a displaced homemaker who, except
16 for owning a home with his or her spouse or re-
17 siding in a home owned by the spouse, meets
18 the requirements of clause (i); or

19 “(iii) is a single parent who, except for
20 owning a home with his or her spouse or resid-
21 ing in a home owned by the spouse while mar-
22 ried, meets the requirements of clause (i); and

23 “(B) meets the requirements of subpara-
24 graph (A) (i), (ii), or (iii), except for owning, as
25 a principal residence, a dwelling unit whose

1 structure is not permanently affixed to a per-
2 manent foundation in accordance with local or
3 other applicable regulations.

4 “(2) MAXIMUM INCOME OF HOMEBUYER.—The
5 aggregate annual income of the homebuyer and the
6 members of the family of the homebuyer residing
7 with the homebuyer, for the 12-month period preced-
8 ing the date of the application of the homebuyer for
9 assistance under this subtitle, does not exceed 115
10 percent of the median income for a family of 4 per-
11 sons (adjusted by family size) in the applicable met-
12 ropolitan statistical area (or such other area that the
13 Secretary determines for areas outside of metropoli-
14 tan statistical areas). The Secretary shall provide for
15 certification of such income for purposes of initial
16 eligibility for assistance payments under this sub-
17 title.

18 “(b) MORTGAGE.—Assistance may be provided only
19 for mortgages meeting the following requirements:

20 “(1) PRINCIPAL RESIDENCE.—The property
21 subject to the mortgage is a single-family residence
22 or unit in a cooperative (including any manufactured
23 home park owned by residents or owned by nonprofit
24 organizations for future ownership by residents) or
25 condominium, or a single family residence located on

1 leased land owned by a community land trust, and
2 is the principal residence of the homebuyer.

3 “(2) MAXIMUM MORTGAGE AMOUNT.—The
4 principal obligation of the first mortgage and any
5 second mortgage assistance provided under this sub-
6 title does not exceed the principal amount that could
7 be insured under section 203(b) of the National
8 Housing Act with respect to a property having the
9 same number of dwelling units.

10 “(c) MINIMUM DOWNPAYMENT.—For first-time
11 homebuyers to receive downpayment assistance under sec-
12 tion 303(a)(1), the homebuyer shall have paid not less
13 than 1 percent of the cost of acquisition of the property
14 (excluding any mortgage insurance premiums paid at the
15 time the mortgage is insured), as such cost is estimated
16 by the Secretary.

17 **“SEC. 305. COUNSELING REQUIREMENTS.**

18 “Each grantee under this subtitle shall ensure that
19 each homebuyer receiving assistance under this subtitle
20 from the grantee (or any subgrantee of such grantee) shall
21 be provided prepurchase and postpurchase homeownership
22 counseling from individuals certified by the Secretary
23 under section 106(e) of the Housing and Urban Develop-
24 ment Act of 1968.

1 **“SEC. 306. ALLOCATION OF GRANT AMOUNTS.**

2 “(a) IN GENERAL.—The Secretary may make a grant
3 under this subtitle only to a State (including a State hous-
4 ing finance agency), local housing finance agency, or non-
5 profit housing intermediary that submits to the Secretary
6 an application under this section that is approved by the
7 Secretary. Applications shall be made in such form and
8 in accordance with such procedures as the Secretary shall
9 establish.

10 “(b) MINIMUM REQUIREMENTS.—An application
11 under this section shall contain a plan that describes how
12 the applicant will achieve the objectives of this subtitle.
13 The application shall include—

14 “(1) a description of the geographic area, in-
15 cluding the revitalization area included, to be cov-
16 ered by the program to provide assistance under this
17 subtitle;

18 “(2) the characteristics of the households to be
19 served by the program;

20 “(3) a description and evidence of the commit-
21 ment of other public and private resources to be
22 made available in the revitalization area and other
23 areas in which homebuyers receive assistance under
24 this subtitle;

25 “(4) a description of any secondary market and
26 private mortgage insurance involvement and commit-

1 ment in connection with assistance under this sub-
2 title;

3 “(5) a description of how prepurchase and
4 postpurchase counseling will be provided to home-
5 buyers assisted under this subtitle;

6 “(6) a description of any restrictions on resale
7 and profits;

8 “(7) a description of existing affordable housing
9 programs and resources available to undertake reha-
10 bilitation of properties when needed;

11 “(8) a description of the process for award and
12 disbursement of assistance to homebuyers; and

13 “(9) a description of the history of the appli-
14 cant in undertaking similar projects.

15 “(c) SELECTION.—The Secretary shall allocate
16 amounts available in any fiscal year for assistance under
17 this subtitle to States (including State housing finance
18 agencies), local housing finance agencies, or nonprofit
19 housing intermediaries for homebuyers through a national
20 competition in accordance with criteria established by the
21 Secretary. The criteria shall include the extent to which
22 the applicant has experience in providing homeownership
23 opportunities for low- and moderate-income households.

24 “(d) TARGETING FOR REVITALIZATION AREAS.—
25 Each grantee under this subtitle shall use not more than

1 50 percent of any amounts received under this subtitle for
2 assistance under section 303(a) for homebuyers purchas-
3 ing residences in revitalization areas using mortgages in-
4 sured under section 203(b) of the National Housing Act.

5 **“SEC. 307. REPORT.**

6 “Not later than 18 months after the date of the issu-
7 ance of final regulations pursuant to section 310, the Sec-
8 retary shall submit to the Congress a report stating the
9 amount of loans made in revitalization areas and in other
10 areas, the amount of loans insured under the National
11 Housing Act made in connection with assistance under
12 this section and the amount of privately insured loans
13 made in connection with such assistance, and an analysis
14 of the effectiveness of such assistance in assisting first-
15 time homebuyers.

16 **“SEC. 308. DEFINITIONS.**

17 “For purposes of this subtitle:

18 “(1) ASSISTANCE.—The term ‘assistance’
19 means—

20 “(A) any downpayment assistance provided
21 under section 303(1);

22 “(B) any second mortgage loan provided
23 under section 303(2);

24 “(C) any loan provided from a revolving
25 fund established under section 303(3); and

1 “(D) any payment for buydown of an in-
2 terest rate provided under section 303(4).

3 “(2) COMMUNITY LAND TRUST.—The term
4 ‘community land trust’ has the meaning given the
5 term in section 233 of the Cranston-Gonzalez Na-
6 tional Affordable Housing Act.

7 “(3) DISPLACED HOMEMAKER.—The term ‘dis-
8 placed homemaker’ means an individual who—

9 “(A) is an adult;

10 “(B) has not worked full-time, full-year in
11 the labor force for a number of years, but has
12 during such years, worked primarily without re-
13 muneration to care for the home and family;
14 and

15 “(C) is unemployed or underemployed and
16 is experiencing difficulty in obtaining or up-
17 grading employment.

18 “(4) REVITALIZATION AREA.—The term ‘revi-
19 talization area’ means—

20 “(A) an empowerment zone or enterprise
21 community approved under Subchapter U of
22 Chapter 1 of the Internal Revenue Code of
23 1986, or an equivalent State-approved enter-
24 prise zone; and

1 “(B) a neighborhood that, in the deter-
2 mination of the Secretary, is targeted by a unit
3 of general local government for revitalization
4 using coordinated affordable housing programs
5 and enhanced supportive services.

6 “(5) NONPROFIT HOUSING INTERMEDIARY.—
7 The term ‘nonprofit housing intermediary’ means a
8 nonprofit organization that the Secretary determines
9 has among its principal purposes activities described
10 in clauses (1) and (2) of section 802(a) of the Hous-
11 ing and Community Development Act of 1974.

12 “(6) SINGLE PARENT.—The term ‘single par-
13 ent’ means an individual who—

14 “(A) is unmarried or legally separated
15 from a spouse; and

16 “(B)(i) has 1 or more minor children for
17 whom the individual has custody or joint cus-
18 tody; or

19 “(ii) is pregnant.

20 “(7) SECRETARY.—The term ‘Secretary’ means
21 the Secretary of Housing and Urban Development.

22 “(8) STATE.—The term ‘State’ means the
23 States of the United States, the District of Colum-
24 bia, the Commonwealth of Puerto Rico, the Com-
25 monwealth of the Northern Mariana Islands, Guam,

1 the Virgin Islands, American Samoa, and any other
2 territory or possession of the United States.

3 “(9) STATE HOUSING FINANCE AGENCY.—The
4 term ‘State housing finance agency’ has the meaning
5 given the term in section 802(b) of the Housing and
6 Community Development Act of 1974.

7 “(10) LOCAL HOUSING FINANCE AGENCY.—The
8 term ‘local housing finance agency’ means a housing
9 finance agency of any city, county, town, township,
10 parish, village, or other general purpose subdivision
11 of a State, or of any combination of such political
12 subdivisions recognized by the Secretary, or any
13 other agency or instrumentality of such an entity
14 that carries out activities described in section 303.

15 **“SEC. 310. REGULATIONS.**

16 “Not later than 10 days after the date of the enact-
17 ment of the Housing and Community Development Act
18 of 1994, the Secretary shall issue an interim rule to imple-
19 ment this subtitle. The Secretary shall issue final regula-
20 tions necessary to implement this subtitle not later than
21 90 days after issuance of such interim rule.”.

22 **SEC. 132. SECTION 235 MORTGAGE REFINANCING.**

23 Section 235(r) of the National Housing Act (12
24 U.S.C. 1715z(r)) is amended—

1 (1) in paragraph (2)(C), by inserting after “re-
2 financed” the following: “, plus the costs incurred in
3 connection with the refinancing as described in para-
4 graph (4)(B) to the extent that the amount for those
5 costs is not otherwise included in the interest rate
6 as permitted by subparagraph (E) or paid by the
7 Secretary as authorized by paragraph (4)(B)”;

8 (2) in paragraph (4)—

9 (A) in the matter preceding subparagraph
10 (A), by inserting after “otherwise)” the follow-
11 ing: “and the mortgagee (with respect to the
12 amount described in subparagraph (A))”; and

13 (B) in subparagraph (A), by inserting after
14 “mortgagor” the following: “and the mortga-
15 gee”; and

16 (3) by amending paragraph (5) to read as fol-
17 lows:

18 “(5) The Secretary shall use amounts of budget au-
19 thority recaptured from assistance payments contracts re-
20 lating to mortgages that are being refinanced for assist-
21 ance payments contracts with respect to mortgages in-
22 sured under this subsection. The Secretary may also make
23 such recaptured amounts available for incentives under
24 paragraph (4)(A) and the costs incurred in connection
25 with the refinancing under paragraph (4)(B). For pur-

1 poses of subsection (c)(3)(A), the amount of recaptured
2 budget authority that the Secretary commits for assist-
3 ance payments contracts relating to mortgages insured
4 under this subsection and for amounts paid under para-
5 graph (4) shall not be construed as unused.”.

6 **SEC. 133. RESIDENTIAL LEAD-BASED PAINT HAZARD RE-**
7 **DUCTION.**

8 (a) ELIGIBLE HOUSING.—Section 1011 of the Hous-
9 ing and Community Development Act of 1992 (42 U.S.C.
10 4852) is amended—

11 (1) by striking subsection (a) and inserting the
12 following new subsection:

13 “(a) AUTHORITY AND ELIGIBLE HOUSING.—

14 “(1) AUTHORITY.—The Secretary may provide
15 grants to eligible applicants to evaluate and reduce
16 lead-based paint hazards in housing that meets the
17 requirements under paragraphs (2) and (3) and is
18 not federally assisted housing, federally owned hous-
19 ing, or public housing, in accordance with the provi-
20 sions of this section.

21 “(2) ELIGIBLE HOUSING.—Housing that meets
22 the requirements under this paragraph is the follow-
23 ing housing:

24 “(A) RENTAL HOUSING.—In the case of
25 rental housing, housing in which at least 50

1 percent of the dwelling units are occupied by or
2 available to households with incomes not ex-
3 ceeding 50 percent of the median income for
4 the area; as defined by the Secretary, and the
5 remainder of the dwelling units are occupied by
6 or available to households with incomes not ex-
7 ceeding 80 percent of the median income for
8 the area, as defined by the Secretary.

9 “(B) OWNER-OCCUPIED HOUSING.—In the
10 case of owner-occupied housing, a dwelling that
11 is the principal residence of a household with an
12 income not exceeding 80 percent of the median
13 income for the area, as defined by the Sec-
14 retary.

15 “(3) LIMITATIONS ON USE OF AMOUNTS.—

16 “(A) RENTAL HOUSING.—In the case of
17 rental housing for which lead hazard reduction
18 activities are conducted using grant amounts
19 under this section—

20 “(i) notwithstanding paragraph
21 (2)(A), for housing with 5 or more dwell-
22 ing units, not more than 20 percent of
23 such remaining dwelling units may be oc-
24 cupied by households with incomes exceed-

1 ing 80 percent of the median income for
2 the area, as defined by the Secretary; and

3 “(ii) all vacant dwelling units for
4 which such activities have been conducted
5 shall be made available only to households
6 with a child or children under 6 years of
7 age, and among such households priority
8 shall be given to households with incomes
9 not exceeding 50 percent of the median in-
10 come for the area, as defined by the Sec-
11 retary.

12 “(B) OWNER-OCCUPIED HOUSING.—In the
13 case of owner-occupied housing for which lead
14 hazard reduction activities are conducted using
15 grant amounts under this section, 90 percent of
16 the dwelling units for which such activities are
17 conducted shall be dwelling units occupied by a
18 household with a child or children under 6
19 years of age or dwelling units in which a child
20 of such age regularly spends a substantial por-
21 tion of his or her time.

22 “(4) EXCEPTION TO ELIGIBLE HOUSING RE-
23 QUIREMENTS.—Notwithstanding paragraph (2),
24 housing that qualifies as affordable housing under
25 section 215 of the Cranston-Gonzalez National Af-

1 fordable Housing Act (including housing that re-
2 ceives assistance under section 8 of the United
3 States Housing Act of 1937) and for which activities
4 assisted under this section are to be conducted using
5 amounts made available to carry out this section for
6 fiscal year 1993 shall be considered housing that
7 meets the requirements of paragraph (2) and shall
8 not be subject to the requirements of paragraph (3),
9 but only if the recipient of such assistance elects, be-
10 fore commencing such activities with such assist-
11 ance, to be subject to the provisions of this para-
12 graph and the Secretary approves such election. Any
13 such recipient making such an election may not use
14 such assistance to carry out activities under this sec-
15 tion with respect to housing that meets the require-
16 ments of paragraphs (2) and (3).”; and

17 (2) by striking “priority housing” each place it
18 appears and inserting “housing that meets the re-
19 quirements under subsection (a)”.

20 (b) HUD RESEARCH.—

21 (1) CONDUCTING OF RESEARCH.—Section 1052
22 of the Housing and Community Development Act of
23 1992 (42 U.S.C. 4854a) is amended by inserting
24 after “other Federal agencies,” the following: “either
25 directly, or indirectly under contract or otherwise,”.

1 (2) FUNDING.—Section 1053 of the Housing
2 and Community Development Act of 1992 (42
3 U.S.C. 4854b) is amended to read as follows:

4 **“SEC. 1054. FUNDING.**

5 “Of the total amount approved in appropriation Acts
6 under section 1011(p), there shall be set aside to carry
7 out this part \$5,000,000 for fiscal year 1995 and
8 \$5,000,000 for fiscal year 1996.”.

9 (3) OTHER ACTIVITIES.—Part 1 of subtitle D
10 of title X of the Housing and Community Develop-
11 ment Act of 1992 (42 U.S.C. 4854 et seq.) is
12 amended by inserting after section 1052 the follow-
13 ing new section:

14 **“SEC. 1053. OTHER RESEARCH AND ASSISTANCE ACTIVI-**
15 **TIES.**

16 “The Secretary may use amounts available to carry
17 out this part to undertake, either directly, or indirectly
18 under contract or otherwise, pursuant to title V of the
19 Housing and Urban Development of 1970, such studies,
20 tests (including pilot tests of new or revised programs),
21 evaluations, demonstrations, education of the public, and
22 preparation of training materials, as are consistent with
23 the purposes of this Act.”.

1 (c) DEFINITIONS.—Section 1004 of the Housing and
2 Community Development Act of 1992 (42 U.S.C. 4851b)
3 is amended—

4 (1) by striking paragraph (20); and

5 (2) by redesignating paragraphs (21) through
6 (27) as paragraphs (20) through (26), respectively.

7 **SEC. 134. FEDERAL DEPOSIT INSURANCE CORPORATION**
8 **AFFORDABLE HOUSING PROGRAM.**

9 (a) REAUTHORIZATION.—Section 40(b) of the Fed-
10 eral Deposit Insurance Act (12 U.S.C. 1831q(b)) is
11 amended—

12 (1) in paragraph (1), by striking “during” and
13 all that follows through “paragraph (2)(A)” and in-
14 serting “until the end of fiscal year 1997”;

15 (2) in paragraph (2)(A), in the matter preced-
16 ing clause (i), by striking “3-year”; and

17 (3) in paragraph (2)(C), by striking “3-year”.

18 (b) FACILITATION OF PROGRAM.—Section 40 of the
19 Federal Deposit Insurance Act is amended by adding at
20 the end the following new subsection:

21 “(r) FACILITATION OF PROGRAM.—Notwithstanding
22 any provision of this section or any other provision of law,
23 the Corporation shall be considered to be in compliance
24 with this section if (in the sole discretion of the Corpora-
25 tion) the Corporation at any time modifies, amends, or

1 waives any provisions of this section to maximize the effi-
 2 cient use of amounts appropriated to carry out this sec-
 3 tion. The Corporation shall not be subject to suit for any
 4 failure to comply with the requirements of this section.”.

5 **SEC. 135. STATE AGENCIES AS SURETIES.**

6 Section 9304 of title 31, United States Code, is
 7 amended by adding at the end the following new sub-
 8 section:

9 “(c) STATE AGENCIES.—A State agency, including
 10 any financing authority established by any State, which
 11 meets the requirements of paragraphs (2) and (3) of sub-
 12 section (a) may be treated as a surety corporation for pur-
 13 poses of this chapter. Notwithstanding any other provision
 14 of law, user fees collected by the Financial Management
 15 Services incident to sections 9304 through 9309 of this
 16 title shall be credited to the appropriation of that agency
 17 and may be retained without fiscal year limitation to carry
 18 out the provisions of such sections.”.

19 **Subtitle D—Home Investment Partnerships**

20 **SEC. 141. ELIGIBLE USES OF INVESTMENT.**

21 Section 212(a)(1) of the Cranston-Gonzalez National
 22 Affordable Housing Act (42 U.S.C. 12742(a)(1)) is
 23 amended by striking “financing costs” and inserting
 24 “costs of financing (including credit enhancements, loan
 25 guarantees, and debt service reserves)”.

1 **SEC. 142. QUALIFICATION AS AFFORDABLE RENTAL HOUS-**
2 **ING.**

3 Section 215(a) of the Cranston-Gonzalez National
4 Affordable Housing Act (42 U.S.C. 12742(a)) is amend-
5 ed—

6 (1) in paragraph (1)(A), by striking “bears
7 rents not greater than” and inserting “is occupied
8 by tenants who pay as rent”;

9 (2) in paragraph (3), by inserting after the pe-
10 riod at the end of the first sentence the following
11 new sentence: “A tenant occupying a rental unit as-
12 sisted with amounts provided under this title shall
13 be considered to be a very low-income family until
14 the household’s income increases to more than 140
15 percent of the applicable income limitation under
16 paragraph (1)(B).”; and

17 (3) by adding at the end the following new
18 paragraph:

19 “(6) RENTAL SUBSIDIES.—Notwithstanding
20 paragraph (1), housing shall not be considered to
21 fail to qualify as affordable housing under this title
22 because it includes units for which—

23 “(A) payments are made under section 8
24 of the United States Housing Act of 1937 or
25 any comparable rental assistance program; and

1 “(B) because of increases in the income of
2 tenants of the housing, the rent paid by the
3 tenants under the assistance program with re-
4 spect to such unit exceeds 30 percent of the ad-
5 justed income of a family whose income equals
6 65 percent of the median income for the area.”.

7 **SEC. 143. REPAYMENT OF INVESTMENT.**

8 Section 219 of the Cranston-Gonzalez National Af-
9 fordable Housing Act (42 U.S.C. 12749) is amended by
10 adding at the end the following new subsection:

11 “(d) REPAYMENT OF MATCHING AMOUNTS.—
12 Amounts provided by a participating jurisdiction pursuant
13 to section 220 for housing not assisted under this title
14 shall be recognized for purposes of section 220(a), not-
15 withstanding that such amounts are not repaid to the ju-
16 risdiction’s HOME Investment Trust Fund, if such
17 amounts are drawn from an affordable housing program
18 operated by the jurisdiction, repaid to the program, and
19 available for use only for the program or for providing
20 housing that qualifies as affordable housing.”.

21 **SEC. 144. MATCHING REQUIREMENTS.**

22 Section 220 of the Cranston-Gonzalez National Af-
23 fordable Housing Act (42 U.S.C. 12750) is amended—

1 (1) in the first sentence of subsection (a), by in-
 2 serting “the participating jurisdiction certifies” be-
 3 fore “qualifies”; and

4 (2) in subsection (b)(1)—

5 (A) in subparagraph (A), by striking “or”;

6 (B) in subparagraph (B), by striking the
 7 period at the end and inserting “; or”; and

8 (C) by adding at the end the following new
 9 subparagraph:

10 “(C) is made with respect to housing that
 11 is substantially equivalent to housing that quali-
 12 fies as affordable housing under section 215.”.

13 **SEC. 145. LABOR REQUIREMENTS.**

14 Section 286(b) of the Cranston-Gonzalez National
 15 Affordable Housing Act (42 U.S.C. 12836(b)) is amended
 16 by adding at the end the following new sentence: “Sub-
 17 section (a) shall not apply in the case of housing for which
 18 a site is acquired or for which the homebuyer is assisted,
 19 but which is not constructed, using funds made available
 20 under this subtitle.”.

21 **Subtitle E—Supportive Housing Programs**

22 **SEC. 151. SUPPORTIVE HOUSING FOR THE ELDERLY.**

23 (a) ELDER COTTAGE HOUSING UNITS.—Section
 24 202(b) of the Housing Act of 1959 (12 U.S.C. 1701q(b))
 25 is amended by inserting after the second sentence the fol-

1 lowing new sentence: “Such assistance may also be used
2 to finance the acquisition and installation of elder cottage
3 housing units that are small, freestanding, barrier-free,
4 energy efficient, removable and designed to be installed
5 adjacent to existing 1- to 4-family dwellings and are used
6 as supportive housing for the elderly in accordance with
7 this section.”.

8 (b) DEFINITION OF “FRAIL ELDERLY”.—Section
9 202(k)(3) of the Housing Act of 1959 (12 U.S.C.
10 1701q(k)(3)) is amended by striking the first sentence and
11 inserting the following new sentences: “The term ‘frail el-
12 derly’ means an elderly person whose level of functional
13 disability jeopardizes her or his ability to continue to live
14 independently. The Secretary shall, to the extent possible,
15 develop assessment measures of functional disability that
16 are appropriate for purposes of this section and will pro-
17 vide for effective use of the program under this section
18 with other programs providing supportive services.”.

19 (c) REPEAL OF DEMONSTRATION.—Section 806 of
20 the Cranston-Gonzalez National Affordable Housing Act
21 (12 U.S.C. 1701q note) is hereby repealed.

1 **SEC. 152. SUPPORTIVE HOUSING FOR PERSONS WITH DIS-**
2 **ABILITIES.**

3 (a) PHA'S AS ELIGIBLE SPONSORS.—Section 811 of
4 the Cranston-Gonzalez National Affordable Housing Act
5 (42 U.S.C. 8013) is amended—

6 (1) in the first sentence of subsection (f), by in-
7 serting “and public housing agencies” after “private
8 nonprofit organizations”; and

9 (2) in subsection (k)—

10 (A) in paragraph (5), by striking “private
11 nonprofit organization” and inserting “eligible
12 sponsor”; and

13 (B) by adding at the end the following new
14 paragraph:

15 “(10) The term ‘eligible sponsor’ means—

16 “(A) in the case of capital advances under
17 subsection (b)(2) and project rental assistance
18 under subsections (b) (2) and (3)—

19 “(i) a private nonprofit organization;
20 and

21 “(ii) a public housing agency, but only
22 in the case of a jurisdiction for which the
23 Secretary determines that, during the 3-
24 year period ending upon the date of the
25 application of the agency for assistance
26 under subsection (b) (2) or (3)—

1 “(I) no private nonprofit organi-
2 zation has submitted an application
3 under subsection (f) for assistance for
4 a project located in such area; and

5 “(II) no private nonprofit organi-
6 zation has had such an application ap-
7 proved for a project located in such
8 area; and

9 “(B) in the case of tenant-based rental as-
10 sistance under subsection (b)(1)—

11 “(i) a private nonprofit organization;
12 and

13 “(ii) a public housing agency, but only
14 to the extent that such assistance is used
15 for providing assistance in accordance with
16 an allocation plan for the agency under
17 section 7(f) of the United States Housing
18 Act of 1937.”.

19 (b) RENTAL ASSISTANCE FOR EXISTING BUILD-
20 INGS.—Section 811 of the Cranston-Gonzalez National
21 Affordable Housing Act is amended—

22 (1) in subsection (d)(2), by adding at the end
23 the following new sentence: “The Secretary may
24 enter into contracts with private, nonprofit organiza-
25 tions to provide project rental assistance for sup-

1 portive housing for persons with disabilities, regard-
2 less of whether the housing is developed with capital
3 advances under this section.”;

4 (2) in subsection (e)(1), by inserting “with cap-
5 ital advances” after “assisted”;

6 (3) by striking the first 2 sentences of sub-
7 section (e)(2) and inserting the following new sen-
8 tences: “The initial term of a contract entered into
9 under subsection (d)(2) shall be 240 months for
10 housing developed with a capital advance, and shall
11 be not more than 60 months for housing not devel-
12 oped with a capital advance. The Secretary shall, to
13 the extent approved in appropriation Acts, extend
14 any expiring contracts for a term of not less than 60
15 months.”;

16 (4) in subsection (g)(1), by inserting “(if appli-
17 cable)” after “develop”;

18 (5) in subsections (g)(3) and (g)(5), by insert-
19 ing “design or” before “proposed” each place it ap-
20 pears;

21 (6) in subsection (j), by striking paragraph (3)
22 and inserting the following new paragraph:

23 “(3) SITE CONTROL.—

24 “(A) CAPITAL ADVANCES.—In the case of
25 housing to be assisted with capital advances

1 under this section, an applicant may obtain
2 ownership or control of a suitable site different
3 from the site specified in the initial application.
4 If an applicant fails to obtain ownership or con-
5 trol of the site within 1 year after notification
6 of an award for assistance, the assistance shall
7 be recaptured and reallocated.

8 “(B) PROJECT RENTAL ASSISTANCE.—In
9 the case of housing to be assisted only with
10 project rental assistance, the applicant shall
11 have ownership or control of a suitable site at
12 the time of application. The Secretary may ap-
13 prove a change in site at any time from the
14 date the application is submitted to the expira-
15 tion date of the rental assistance contract.”;

16 (7) in subsection (j)(4), by striking “The” and
17 inserting the following: “In the case of housing as-
18 sisted with capital advances under this section, the”;

19 (8) in the second sentence of subsection (k)(1),
20 by striking “the development of”;

21 (9) in subsection (k)(5), by inserting before the
22 period at the end the following: “, or that receives
23 rental assistance under this section to operate a
24 project for supportive housing for persons with dis-
25 abilities”; and

1 (10) in subsection (m)(3), by striking “(1)” and
2 inserting “(2)”.

3 (c) AUTHORITY TO PROVIDE ASSISTANCE.—Section
4 811 of the Cranston-Gonzalez National Affordable Hous-
5 ing Act is amended—

6 (1) by striking subsection (b) and inserting the
7 following new subsection:

8 “(b) GENERAL AUTHORITY.—The Secretary may
9 provide assistance to eligible sponsors to expand the sup-
10 ply of supportive housing for persons with disabilities.
11 Such assistance shall be provided as—

12 “(1) tenant-based rental assistance on behalf of
13 eligible persons with disabilities, in accordance with
14 subsection (d)(4);

15 “(2) capital advances in accordance with sub-
16 section (d)(1), together with contracts for project
17 rental assistance in accordance with subsection
18 (d)(2); or

19 “(3) contracts for project rental assistance in
20 accordance with subsection (d)(2).”;

21 (2) in subsection (d)(1), by adding at the end
22 the following new sentences: “Capital advances may
23 be used to finance the acquisition, acquisition and
24 moderate rehabilitation, construction, reconstruction,
25 or moderate or substantial rehabilitation of housing,

1 including the acquisition from the Resolution Trust
2 Corporation, to be used as supportive housing for
3 persons with disabilities and may include real prop-
4 erty acquisition, site improvement, conversion, demo-
5 lition, relocation, and other expenses that the Sec-
6 retary determines are necessary to expand the sup-
7 ply of supportive housing for persons with disabil-
8 ities. Such assistance may also be used to finance
9 the acquisition and installation of cottage housing
10 units that are small, freestanding, barrier-free, en-
11 ergy efficient, removable and designed to be installed
12 adjacent to existing 1- to 4-family dwellings and are
13 used as supportive housing for the persons with dis-
14 abilities in accordance with this section.”;

15 (3) in subsections (d)(3), (e)(1), and (f), by in-
16 serting “or (3)” after “subsection (b)(2)” each place
17 it appears; and

18 (4) by striking paragraph (4) of subsection (d)
19 and inserting the following new paragraph:

20 “(4) TENANT-BASED RENTAL ASSISTANCE.—

21 “(A) ADMINISTRATION.—Tenant-based
22 rental assistance that is provided under sub-
23 section (b)(1) shall be administered under the
24 same rules governing rental assistance made

1 available under section 8 of the United States
2 Housing Act of 1937.

3 “(B) PUBLIC HOUSING AGENCIES.—A pub-
4 lic housing agency may provide tenant-based
5 rental assistance under subsection (b)(1) only if
6 the public housing agency has submitted, and
7 had approved, an allocation plan under section
8 7(f) of the United States Housing Act of 1937
9 and any such assistance made available to a
10 public housing agency shall be provided by the
11 agency in accordance with such allocation plan.
12 In determining the amount of assistance pro-
13 vided under subsection (b)(1) for a public hous-
14 ing agency, the Secretary shall consider the
15 needs of the agency as described in the alloca-
16 tion plan.”.

17 (d) TECHNICAL CHANGES.—Section 811(k)(6) of the
18 Cranston-Gonzalez National Affordable Housing Act is
19 amended by striking subparagraph (A) and inserting the
20 following new subparagraph:

21 “(A) that has received tax-exempt status
22 under section 501(c) (3) or (4) of the Internal
23 Revenue Code of 1986;”.

1 **SEC. 153. REVISED CONGREGATE SERVICES.**

2 (a) MEAL FEES AND MATCHING AMOUNTS.—Section
3 802 of the Cranston-Gonzalez National Affordable Hous-
4 ing Act (42 U.S.C. 8011) is amended—

5 (1) in subparagraph (A) of subsection (d)(7),
6 by striking “The fees for meals shall be in the fol-
7 lowing amounts:” and all that follows through the
8 end of the subparagraph; and

9 (2) in subsection (i)(1)—

10 (A) in subparagraph (A)(i), by striking
11 “50 percent” and inserting “25 percent”;

12 (B) in subparagraph (A)(ii), by striking
13 “40 percent” and inserting “65 percent”; and

14 (C) in subparagraph (C), by striking “10
15 percent” and inserting “25 percent”.

16 (b) DEFINITION OF “FRAIL ELDERLY”.—Section
17 802(k)(8) of the Cranston-Gonzalez National Affordable
18 Housing Act is amended by striking the first sentence and
19 inserting the following new sentences: “The term ‘frail el-
20 derly’ means an elderly person whose level of functional
21 disability jeopardizes her or his ability to continue to live
22 independently. The Secretary shall, to the extent possible,
23 develop assessment measures of functional disability that
24 are appropriate for purposes of this section and will pro-
25 vide for effective use of the program under this section
26 with other programs providing supportive services.”.

1 **SEC. 154. SUPPORTIVE HOUSING ASSISTANCE FOR ELDER-**
2 **LY INDEPENDENCE.**

3 (a) SUPPORTIVE SERVICES CONTRIBUTIONS.—Sec-
4 tion 803(c)(1) of the Cranston-Gonzalez National Afford-
5 able Housing Act is amended—

6 (1) in subparagraph (A), by striking “40 per-
7 cent” and inserting “65 percent”; and

8 (2) in subparagraph (B), by striking “50 per-
9 cent” and inserting “25 percent”.

10 (b) DEFINITION OF “FRAIL ELDERLY”.—Section
11 803(g)(3) of the Cranston-Gonzalez National Affordable
12 Housing Act is amended by striking the first sentence and
13 inserting the following new sentences: “The term ‘frail el-
14 derly person’ means an elderly person whose level of func-
15 tional disability jeopardizes her or his ability to continue
16 to live independently. The Secretary shall, to the extent
17 possible, develop assessment measures of functional dis-
18 ability that are appropriate for purposes of this section
19 and will provide for effective use of the program under
20 this section with other programs providing supportive
21 services.”.

22 (c) AMENDMENT TO HEADING.—Section 803 of the
23 Cranston-Gonzalez National Affordable Housing Act (42
24 U.S.C. 8012) is amended by striking the section designa-
25 tion and heading and inserting the following:

1 “SEC. 803. SUPPORTIVE HOUSING ASSISTANCE FOR ELDER-
2 LY INDEPENDENCE.”.

3 **Subtitle F—Mortgage Insurance and**
4 **Secondary Mortgage Market**

5 **SEC. 161. EXTENSION OF MULTIFAMILY HOUSING MORT-**
6 **GAGE AUCTION PROVISIONS.**

7 (a) EXTENSION.—The first sentence of section
8 221(g)(4)(C)(viii) of the National Housing Act (12 U.S.C.
9 1715l(g)(4)(C)(viii)) is amended by striking “September
10 30, 1995” and inserting “December 31, 2005”.

11 (b) BUDGET COMPLIANCE.—Section 221(g)(4)(C) of
12 the National Housing Act (12 U.S.C. 1715l(g)(4)(C)) is
13 amended by adding at the end the following new clause:

14 “(ix) This subparagraph shall be effective for
15 any fiscal year only to such extent or in such
16 amounts as are or have been provided in appropria-
17 tion Acts for such fiscal year.”.

18 **SEC. 162. STREAMLINED REFINANCING FOR HUD-HELD**
19 **MORTGAGES.**

20 (a) IN GENERAL.—Section 223(a) of the National
21 Housing Act (12 U.S.C. 1715n) is amended—

22 (1) in paragraph (7), by striking the colon pre-
23 ceding “*Provided further,*” and all that follows
24 through “and the mortgagee”;

25 (2) by redesignating paragraph (8) as para-
26 graph (9);

1 (3) by inserting after paragraph (7) the follow-
2 ing new paragraph:

3 “(8) given to refinance a mortgage held by the
4 Secretary, upon such terms and conditions as the
5 Secretary may prescribe, covering property on which
6 there is located a 1- to 4-family residence, or a 1-
7 family unit in a condominium project, which mort-
8 gage was formerly insured under this Act and subse-
9 quently assigned to the Secretary: *Provided*, That
10 the mortgagor has not previously refinanced a mort-
11 gage pursuant to this paragraph: *Provided further*,
12 That the mortgagor has made all payments due
13 under the note secured by the existing mortgage and
14 all payments due under the note for at least the pre-
15 vious 6 months, or the mortgagor is under a forbear-
16 ance agreement and has made all payments due
17 under the note secured by the existing mortgage for
18 at least the previous 6 months: *Provided further*,
19 That the principal amount of the refinancing mort-
20 gage may not exceed the outstanding principal bal-
21 ance of the existing mortgage by more than addi-
22 tional amounts owed by the mortgagor due to the
23 delinquency and to the receipt of assignment assist-
24 ance under section 230: *Provided further*, That the
25 monthly payment due under the refinancing mort-

1 gage may not exceed the monthly payment due
2 under the existing mortgage: *Provided further*, That
3 the refinancing mortgage may have a term not more
4 than 12 years in excess of the unexpired term of the
5 assigned mortgage: *Provided further*, That the refi-
6 nancing mortgage may be insured under section
7 203(b) or 221(d)(2) of this Act, at the option of the
8 mortgagee, or under section 234(c) of this Act in the
9 case of a condominium: *Provided further*, That a re-
10 financing mortgage insured under section 221(d)(2)
11 shall involve a principal obligation in an amount not
12 to exceed 50 percent of the applicable dollar limita-
13 tion for a 1- to 4-family residence under section
14 203(b)(2): *Provided further*, That the authority
15 under this paragraph to refinance a mortgage shall
16 terminate 30 months after the date of enactment of
17 this Act: *Provided further*, That the total number of
18 mortgages refinanced under this paragraph may not
19 exceed 20,000; or''; and

20 (4) by adding at the end the following new
21 flush material:

22 ''A mortgage of the character described in paragraphs (1)
23 through (6) of this subsection shall have a maturity and
24 a principal obligation not in excess of the maximums pre-
25 scribed under the applicable section or title of this Act,

1 except that in no case may the principal obligation of a
 2 mortgage referred to in paragraph (5) of this subsection
 3 exceed 90 percent of the appraised value of the mortgage
 4 property, and shall bear interest at such rate as may be
 5 agreed upon by the mortgagor and the mortgagee.”.

6 (b) IMPLEMENTATION.—The Secretary of Housing
 7 and Urban Development may implement the authority to
 8 refinance a mortgage held by the Secretary under section
 9 223(a)(8) of the National Housing Act, as added by the
 10 amendment made by subsection (a)(3) of this section, by
 11 notice published in the Federal Register setting forth such
 12 requirements as may be necessary.

13 **SEC. 163. DELEGATION OF SINGLE FAMILY MORTGAGE IN-**
 14 **SURING AUTHORITY TO DIRECT ENDORSE-**
 15 **MENT MORTGAGEES.**

16 Title II of the National Housing Act (12 U.S.C. 1707
 17 et seq.), is amended by adding at the end the following
 18 new section:

19 “DELEGATION OF INSURING AUTHORITY TO DIRECT
 20 ENDORSEMENT MORTGAGEES

21 “SEC. 256. (a) AUTHORITY.—The Secretary may del-
 22 egate, to one or more mortgagees approved by the Sec-
 23 retary under the direct endorsement program, the author-
 24 ity of the Secretary under this Act to insure mortgages
 25 involving property upon which there is located a dwelling
 26 designed principally for occupancy by 1 to 4 families.

1 “(b) CONSIDERATIONS.—In determining whether to
2 delegate authority to a mortgagee under this section, the
3 Secretary shall consider the experience and performance
4 of the mortgagee under the direct endorsement program,
5 the default rate of insured mortgages originated by the
6 mortgagee compared to the default rate of all insured
7 mortgages in comparable markets, and such other factors
8 as the Secretary determines appropriate to minimize risk
9 of loss to the insurance funds under this Act.

10 “(c) ENFORCEMENT OF INSURANCE REQUIRE-
11 MENTS.—

12 “(1) IN GENERAL.—If the Secretary determines
13 that a mortgage insured by a mortgagee pursuant to
14 delegation of authority under this section was not
15 originated in accordance with the requirements es-
16 tablished by the Secretary, and the Secretary pays
17 an insurance claim with respect to the mortgage
18 within a reasonable period specified by the Sec-
19 retary, the Secretary may require the mortgagee ap-
20 proved under this section to indemnify the Secretary
21 for the loss.

22 “(2) FRAUD OR MISREPRESENTATION.—If
23 fraud or misrepresentation was involved in connec-
24 tion with the origination, the Secretary may require
25 the mortgagee approved under this section to indem-

1 nify the Secretary for the loss regardless of when an
2 insurance claim is paid.

3 “(d) TERMINATION OF MORTGAGEE’S AUTHORITY.—
4 If a mortgagee to which the Secretary has made a delega-
5 tion under this section violates the requirements and pro-
6 cedures established by the Secretary or the Secretary de-
7 termines that other good cause exists, the Secretary may
8 cancel a delegation of authority under this section to the
9 mortgagee by giving notice to the mortgagee. Such a can-
10 cellation shall be effective upon receipt of the notice by
11 the mortgagee or at a later date specified by the Secretary.
12 A decision by the Secretary to cancel a delegation shall
13 be final and conclusive and shall not be subject to judicial
14 review.

15 “(e) REQUIREMENTS AND PROCEDURES.—Before ap-
16 proving a delegation under this section, the Secretary shall
17 issue regulations establishing appropriate requirements
18 and procedures, including requirements and procedures
19 governing the indemnification of the Secretary by the
20 mortgagee.”.

21 **TITLE II—COMMUNITY DEVELOPMENT**

22 **SEC. 201. ELIGIBLE ACTIVITIES.**

23 Section 907(b)(2) of the Cranston-Gonzalez National
24 Affordable Housing Act (42 U.S.C. 5305 note) is hereby
25 repealed.

1 **SEC. 202. REALLOCATIONS.**

2 Section 106(c) of the Housing and Community Devel-
3 opment Act of 1974 (42 U.S.C. 5304(c)) is amended by
4 striking paragraph (4).

5 **SEC. 203. USE OF UDAG RECAPTURES.**

6 Section 119(o) of the Housing and Community De-
7 velopment Act of 1974 (42 U.S.C. 5318(o)) is amended
8 by striking “October 1, 1993” and inserting in lieu thereof
9 “April 11, 1994”.

10 **SEC. 204. EXTENSION OF CERTAIN CDBG ASSISTANCE.**

11 (a) EXTENSION.—Section 916(f) of the Cranston-
12 Gonzalez National Affordable Housing Act (42 U.S.C.
13 5306 note) is amended by striking “1991” and all that
14 follows through “1994” and inserting “beginning before
15 the commencement of fiscal year 1998”.

16 **SEC. 205. COLONIAS ASSISTANCE PROGRAM.**

17 (a) GRANT AUTHORITY.—The Secretary may make
18 grants in accordance with the provisions of this section
19 to units of general local government, States, nonprofit or-
20 ganizations, or entities or instrumentalities established
21 under the authority of any of such entities, for use in ad-
22 dressing the community development and housing needs
23 of colonias.

24 (b) ELIGIBLE ACTIVITIES.—Assistance under this
25 section may be used only to carry out the following activi-
26 ties:

1 (1) Any activity eligible under section 105 of
2 the Housing and Community Development Act of
3 1974 or section 212(a) of the HOME Investment
4 Partnerships Act.

5 (2) Refinancing the existing debt of home-
6 owners to convert existing land transactions and in-
7 terests into mortgages.

8 (3) Constructing new housing, including self-
9 help, energy-efficient, and innovative housing design
10 initiatives.

11 (4) Developing new subdivisions for affordable
12 housing.

13 (5) Re-platting and redeveloping existing sub-
14 divisions.

15 (6) Planning for and constructing infrastruc-
16 ture necessary for the development of housing, eco-
17 nomic development, and community facilities and
18 amenities.

19 (7) Such other activities as the Secretary deems
20 appropriate to further the purposes of this section.

21 (c) MODEL PROGRAMS.—

22 (1) IN GENERAL.—Of amounts allocated under
23 subsection (j)(2), the Secretary shall make grants
24 under this subsection to the entities referred to in
25 subsection (a) for the purpose of establishing model

1 programs of assistance for addressing the commu-
2 nity development, housing, and other needs of the
3 residents of the colonias.

4 (d) SELECTION OF GRANTEES.—

5 (1) GEOGRAPHIC DISTRIBUTION.—The Sec-
6 retary shall designate—

7 (A) at least one project in each State to re-
8 ceive a grant under this subsection; and

9 (B) at least one project within a metropoli-
10 tan area in any State to receive a grant under
11 this subsection.

12 (2) SELECTION PROCESS.—The Secretary shall
13 select grantees under this subsection on a non-
14 competitive basis, through negotiation with the
15 grantee.

16 (3) SELECTION CRITERIA.—In selecting
17 projects for grants under this subsection, the Sec-
18 retary shall consider—

19 (A) the extent of need in the colonia;

20 (B) the likely effectiveness of the proposed
21 approach in addressing identified needs;

22 (C) the extent to which funding for the
23 project is committed from sources other than
24 under this section;

1 (D) the need to consider a variety of solu-
2 tions to a variety of needs situations; and

3 (E) such other factors as the Secretary
4 deems appropriate to carry out the objectives of
5 this section.

6 (e) COMPETITIVE GRANTS.—

7 (1) PURPOSE.—Grants under this subsection
8 shall be made, in accordance with paragraph (2), to
9 the entities referred to in subsection (a) for the pur-
10 pose of assisting the community development and
11 housing needs of the residents of one or more
12 colonias in an area or region.

13 (2) RESERVATION OF FUNDS.—Of amounts al-
14 located under subsection (j)(2), the Secretary shall
15 reserve a target amount for grants under this sub-
16 section for use in colonias in each State. The Sec-
17 retary shall determine the amount be reserved based
18 on such objective factors of need as the Secretary
19 deems appropriate, which may include rates of pov-
20 erty in, and the population of, colonias. The Sec-
21 retary shall reallocate any amounts set-aside under
22 this paragraph for which the Secretary determines
23 there will not be sufficient approvable applications in
24 a fiscal year.

1 (3) USE OF FUNDS.—Any amount not reserved
2 or reallocated under paragraph (2) may be used in
3 colonias in any State.

4 (4) APPLICATIONS.—Applications for grants
5 under this subsection shall be submitted at such
6 time and in accordance with such procedures, as the
7 Secretary shall prescribe. Applications shall contain
8 the following information, which the Secretary shall
9 consider in selecting projects for grants under this
10 subsection:

11 (A) The extent of need in the colonia.

12 (B) An estimate of the likely effectiveness
13 of the proposed approach in addressing identi-
14 fied needs.

15 (C) A description of the extent to which
16 funding for the project is committed from
17 sources other than under this section.

18 (D) Any other information that the Sec-
19 retary deems appropriate to carry out the objec-
20 tives of this section.

21 (5) SELECTION OF GRANTEES.—The Secretary
22 shall select grantees for grants under this subsection
23 on the basis of a competition, following publication
24 of a notice of funding availability in the Federal
25 Register.

1 (f) RECORDS, REPORTS, AND AUDITS.—

2 (1) KEEPING OF RECORDS.—Each grantee
3 under this section shall keep such records as may be
4 reasonably necessary to disclose the amounts and
5 the disposition of grant amounts received under this
6 section and to ensure compliance with the require-
7 ments of this section.

8 (2) GRANTEE REPORTS.—Each grantee under
9 this section shall submit to the Secretary a report,
10 or series of reports, in a form and at a time speci-
11 fied by the Secretary. Each report shall—

12 (A) describe the use of funds made avail-
13 able to the grantee under this section; and

14 (B) describe and analyze the effect of as-
15 sisted activities in addressing the community
16 development and housing needs of the residents
17 of colonias.

18 (g) ACCESS TO DOCUMENTS BY SECRETARY.—The
19 Secretary shall have access for the purpose of audit and
20 examination to any books, documents, papers, and records
21 of a grantee that are pertinent to assistance received in
22 connection with, and the requirements of, this section.

23 (h) ACCESS TO DOCUMENTS BY COMPTROLLER GEN-
24 ERAL.—The Comptroller General of the United States, or
25 any of the duly authorized representatives of the Comp-

1 troller General, shall have access for the purpose of audit
2 and examination to any books, documents, papers, and
3 records of a grantee that are pertinent to assistance re-
4 ceived under, and the requirements of, this section.

5 (i) DEFINITIONS.—For purposes of this section, the
6 following definitions shall apply:

7 (1) The terms “colonia” and “United States-
8 Mexico Border Region” have the meanings given the
9 terms in section 916(e) of the Cranston-Gonzalez
10 National Affordable Housing Act.

11 (2) The term “metropolitan area” has the
12 meaning given the term in section 102(a) of the
13 Housing and Community Development Act of 1974.

14 (3) The term “nonprofit organization” means—

15 (A) an organization—

16 (i) that is described in section 501(c)
17 of the Internal Revenue Code of 1986; and

18 (ii) is exempt from taxation under
19 section 501(a) of such Code; or

20 (B) an organization—

21 (i) no part of the net earnings of
22 which inures to the benefit of any member,
23 founder, contributor, or individual;

24 (ii) that in the case of a private non-
25 profit organization, has a voluntary board;

1 (iii) that has an accounting system, or
2 has designated a fiscal agent in accordance
3 with requirements established by the Sec-
4 retary; and

5 (iv) that practices nondiscrimination
6 in the provision of assistance.

7 (4) The term “Secretary” means the Secretary
8 of Housing and Urban Development.

9 (5) The term “State” means the States of Cali-
10 fornia, Arizona, New Mexico, and Texas.

11 (6) The term “unit of general local govern-
12 ment” means—

13 (A) a city, town, township, county, parish,
14 village, or other general purpose political sub-
15 division of a State; and

16 (B) any agency or instrumentality thereof
17 that is established pursuant to legislation and
18 designated by the chief executive to act on be-
19 half of the jurisdiction with regard to provisions
20 of this section.

21 The term includes a consortium of geographically
22 contiguous units of general local government, if the
23 Secretary determines that the consortium—

24 (i) has sufficient authority and administra-
25 tive capability to carry out the purposes of this

1 section on behalf of its member jurisdictions;
2 and

3 (ii) meets such other requirements as the
4 Secretary may prescribe.

5 **SEC. 206. YOUTHBUILD PROGRAM.**

6 (a) ELIGIBLE ACTIVITIES.—Section 454(b) of the
7 Cranston-Gonzalez National Affordable Housing Act (42
8 U.S.C. 12899c(b)) is amended—

9 (1) in paragraph (2), by striking “Acquisition”
10 and all that follows through “facilities” and insert-
11 ing “Acquisition, rehabilitation, or acquisition and
12 rehabilitation of housing and related facilities, or
13 construction of new housing and related facilities
14 (including community facilities designed to serve the
15 needs of low- and very low-income families),”;

16 (2) by striking paragraph (6); and

17 (3) by redesignating paragraphs (7) and (8) as
18 paragraphs (6) and (7), respectively.

19 (b) PRIORITY FOR APPLICANTS SUPPLEMENTING
20 GRANT AMOUNTS.—Section 454(e) of the Cranston-Gon-
21 zalez National Affordable Housing Act (42 U.S.C.
22 12899c(e)) is amended to read as follows:

23 “(e) PRIORITY FOR APPLICANTS WHO OBTAIN PRO-
24 GRAM FUNDS FROM OTHER SOURCES.—The Secretary
25 shall give priority in the award of grants under this section

1 to applicants to the extent that they have obtained
2 amounts or in-kind contributions, or commitments to pro-
3 vide such amounts or contributions, from Federal, State,
4 local, or private sources other than assistance under this
5 subtitle in an amount constituting not less than 10 percent
6 of the total budget of the applicant for the Youthbuild pro-
7 gram, that will be used for carrying out any aspect of the
8 Youthbuild program of the applicant.”.

9 (c) RESIDENTIAL RENTAL HOUSING REQUIRE-
10 MENTS.—Section 455(a) of the Cranston-Gonzalez Na-
11 tional Affordable Housing Act (42 U.S.C. 12899d(a)) is
12 amended—

13 (1) in the matter preceding paragraph (1), by
14 inserting after “subtitle” the following: “for costs
15 such as construction, rehabilitation, and acquisi-
16 tion”; and

17 (2) in paragraph (1), by striking subparagraph
18 (A) and inserting the following new subparagraph:

19 “(A) at least 80 percent of the units shall
20 be occupied, or available for occupancy, by indi-
21 viduals and families with incomes that do not
22 exceed 50 percent of the area median income,
23 adjusted for family size; and”.

1 **TITLE III—HOMELESS ASSISTANCE**

2 **SEC. 301. SHORT TITLE.**

3 This title may be cited as the “Stewart B. McKinney
4 Homeless Housing Assistance Amendments Act of 1994”.

5 **Subtitle A—Reorganization of Certain**
6 **McKinney Act Housing Provisions**

7 **SEC. 311. FLEXIBLE GRANT PROGRAM.**

8 Title IV of the Stewart B. McKinney Homeless As-
9 sistance Act (42 U.S.C. 11361 et seq.) is amended—

10 (1) by striking subtitles A, B, C, D, and F;

11 (2) by striking the headings for subtitles E and
12 G;

13 (3) by redesignating sections 441 (as amended
14 by the preceding provisions of this Act), 491, and
15 592 (as added by section 1414 of the Housing and
16 Community Development Act of 1992) as sections
17 451, 453, and 454, respectively;

18 (4) by striking sections 442 and 443; and

19 (5) by inserting after the heading for the title
20 the following:

21 **“Subtitle A—Flexible Grant Program**

22 **“CHAPTER 1—GENERAL PROVISIONS**

23 **“SEC. 401. PURPOSES.**

24 “The purposes of this subtitle are to—

1 “(1) expand and reorganize the Federal com-
2 mitment to alleviate homelessness by providing
3 States, Indian tribes, and localities with the re-
4 sources to more efficiently and effectively design a
5 comprehensive system to address the shelter, service,
6 and permanent housing needs of homeless individ-
7 uals and families in the United States;

8 “(2) help very low-income families avoid becom-
9 ing homeless;

10 “(3) meet the emergency shelter needs of home-
11 less persons and families;

12 “(4) provide transitional or specialized perma-
13 nent housing to facilitate the movement of homeless
14 persons and families to independent living;

15 “(5) provide supportive services to help home-
16 less persons and families lead independent and dig-
17 nified lives;

18 “(6) encourage the cooperation and participa-
19 tion of the States and units of general local govern-
20 ment, together with private nonprofit organizations,
21 in planning and implementing comprehensive home-
22 less assistance programs;

23 “(7) reduce the costs to States, units of general
24 local government, and private nonprofit organiza-
25 tions in applying for and using Federal housing as-

1 sistance for families and persons who are homeless;
2 and

3 “(8) begin meeting the needs of most of the
4 Nation’s homeless population through the existing
5 Federal programs providing basic assistance for low-
6 income families and persons.

7 **“SEC. 403. DEFINITIONS.**

8 “For purposes of this subtitle, the following defini-
9 tions shall apply:

10 “(1) The term ‘allocation unit of general local
11 government’ means a metropolitan city and an
12 urban county.

13 “(2) The term ‘applicant’ means an eligible
14 grantee that submits an application under section
15 408 for a grant under this subtitle.

16 “(3) The term ‘disability’ means—

17 “(A) a disability as defined in section 223
18 of the Social Security Act;

19 “(B) to be determined to have, pursuant to
20 regulations issued by the Secretary, a physical,
21 mental, or emotional impairment which (i) is
22 expected to be a long-continued and indefinite
23 duration, (ii) substantially impedes an individ-
24 ual’s ability to live independently, and (iii) of

1 such a nature that such ability could be im-
2 proved by more suitable housing conditions;

3 “(C) a developmental disability as defined
4 in section 102 of the Developmental Disabilities
5 Assistance and Bill of Rights Act; or

6 “(D) the disease of acquired
7 immunodeficiency syndrome or any conditions
8 arising from the etiologic agency for acquired
9 immunodeficiency syndrome.

10 Subparagraph (D) shall not be construed to limit eli-
11 gibility under subparagraphs (A) through (C) or the
12 provisions referred to in subparagraphs (A) through
13 (C).

14 “(4) The term ‘eligible grantee’ means—

15 “(A) an allocation unit of general local
16 government, Indian Tribe, or insular area, or a
17 consortium of such entities, that elects to ad-
18 minister a grant under section 410(a)(1);

19 “(B) a public agency or a private nonprofit
20 organization (or a consortium of such organiza-
21 tions) designated by the Secretary under section
22 410(a)(3) to administer grant amounts for an
23 allocation unit of general local government, In-
24 dian tribe, or insular area;

1 “(C) an entity eligible to receive grant
2 amounts from the Secretary under section
3 410(a)(4);

4 “(D) a State that elects under section
5 410(b)(1)(A) to administer a grant;

6 “(E) a unit of general local government se-
7 lected under section 410(b)(5) to receive grant
8 amounts from the Secretary; and

9 “(F) a private nonprofit organization se-
10 lected under section 410(b)(4) to receive grant
11 amounts from the Secretary.

12 “(5) The term ‘families’ has the same meaning
13 given the term under section 3(b) of the United
14 States Housing Act of 1937.

15 “(6) The term ‘grantee’ means—

16 “(A) an allocation unit of general local
17 government, Indian tribe, or insular area, or a
18 consortium of such entities, that receives a
19 grant under this subtitle and administers the
20 grant under section 410(a)(1);

21 “(B) an allocation unit of general local
22 government, Indian tribe, or insular area that
23 receives a grant under this subtitle and des-
24 ignates a public agency or private nonprofit or-
25 ganization (or a consortium of such organiza-

1 tions) to administer grant amounts for the ju-
2 risdiction under section 410(a)(2);

3 “(C) a public agency or a private nonprofit
4 organization (or a consortium or such organiza-
5 tions) designated by the Secretary under section
6 410(a)(3) to administer grant amounts for an
7 allocation unit of general local government, In-
8 dian tribe, or insular area, and that receives
9 grant amounts under this subtitle;

10 “(D) an entity that receives grant amounts
11 from the Secretary under section 410(a)(4);

12 “(E) a State that receives grant amounts
13 under this subtitle and administers such
14 amounts under section 410(b)(1)(A);

15 “(F) a unit of general local government
16 that receives grant amounts from the Secretary
17 under section 410(b)(5); and

18 “(G) a private nonprofit organization that
19 receives grant amounts from the Secretary
20 under section 410(b)(4).

21 “(7) The term ‘homeless family’ means a group
22 of one or more related individuals who are homeless
23 individuals.

24 “(8) The term ‘Indian tribe’ means any Indian
25 tribe, band, group, and nation, including Alaska In-

1 dians, Aleuts, and Eskimos, and any Alaskan Native
2 Village, of the United States, which is considered an
3 eligible recipient under the Indian Self-Determina-
4 tion and Education Assistance Act or was considered
5 an eligible recipient under chapter 67 of title 31,
6 United States Code, before the repeal of such
7 chapter.

8 “(9) The term ‘insular area’ means the Virgin
9 Islands, Guam, American Samoa, and the Common-
10 wealth of the Northern Mariana Islands.

11 “(10) The term ‘low-demand services and refer-
12 rals’ means the provision of health care, mental
13 health, substance abuse, and other supportive serv-
14 ices and referrals for services in a noncoercive man-
15 ner, which may include medication management,
16 education, counseling, job training, and assistance in
17 obtaining entitlement benefits and in obtaining other
18 supportive service including mental health treatment
19 and substance abuse treatment.

20 “(11) The term ‘metropolitan city’ has the
21 meaning given the term in section 102(a) of the
22 Housing and Community Development Act of 1974.

23 “(12) The term ‘operating costs’ means ex-
24 penses of operating any housing assisted under this
25 subtitle with respect to—

1 “(A) the administration, maintenance, re-
2 pair, and security of such housing;

3 “(B) utilities, fuels, furnishings, and equip-
4 ment for such housing; and

5 “(C) the conducting of the assessments of
6 and the provision of supportive services to the
7 residents of such housing.

8 “(13) The term ‘outpatient health services’
9 means outpatient health care, outpatient mental
10 health services, outpatient substance abuse services,
11 case management services and child immunization.

12 “(14) The term ‘private nonprofit organization’
13 means an organization—

14 “(A) no part of the net earnings of which
15 inures to the benefit of any member, founder,
16 contributor, or individual;

17 “(B) that has a voluntary board;

18 “(C) that has an accounting system or has
19 designated a fiscal agent in accordance with re-
20 quirements established by the Secretary; and

21 “(D) that practices nondiscrimination in
22 the provision of assistance.

23 “(15) The term ‘project’ means a structure or
24 a portion of a structure that is acquired or rehabili-
25 tated with assistance provided under this subtitle or

1 with respect to which the Secretary provides tech-
2 nical assistance or annual payments for operation
3 costs.

4 “(16) The term ‘project sponsor’ means an en-
5 tity that—

6 “(A) provides housing or assistance for
7 homeless individuals or families by carrying out
8 eligible activities under chapter 2 that are as-
9 sisted under this subtitle; and

10 “(B) meets such minimum standards as
11 the Secretary considers appropriate.

12 “(17) The term ‘recipient’ means a grantee
13 (other than a State distributing grant amounts to
14 State recipients) and a State recipient.

15 “(18) The term ‘Secretary’ means the Secretary
16 of Housing and Urban Development.

17 “(19) The term ‘State’ means a State of the
18 United States and the Commonwealth of Puerto
19 Rico, or any agency or instrumentality thereof that
20 is established pursuant to legislation and designated
21 by the chief executive to act on behalf of the juris-
22 diction with regard to provisions of this subtitle.

23 “(20) The term ‘State recipient’ means—

24 “(A) a unit of general local government
25 within a State (other than an allocation unit of

1 general local government) that receives grant
2 amounts from the State under section
3 410(b)(3); and

4 “(B) a private nonprofit organization that
5 receives grant amounts from a State under sec-
6 tion 410(b)(4).

7 “(21)(A) The term ‘supportive services’ means
8 assistance that—

9 “(i) addresses the special needs of home-
10 less persons, such as deinstitutionalized per-
11 sons, families with children, persons with men-
12 tal disabilities, other persons with disabilities,
13 the elderly, and veterans intended to be served
14 by a project; and

15 “(ii) assists in accomplishing the purposes
16 of the different types of housing for the home-
17 less eligible for assistance under this subtitle.

18 “(B) Such term includes—

19 “(i) food services, child care, substance
20 abuse treatment, assistance in obtaining perma-
21 nent housing, outpatient health services, em-
22 ployment counseling, nutritional counseling, se-
23 curity arrangements for the protection of resi-
24 dents of facilities to assist the homeless, and
25 such other services essential for maintaining or

1 moving toward independent living as the Sec-
2 retary determines to be appropriate; and

3 “(ii) assistance to homeless persons in ob-
4 taining other Federal, State, and local assist-
5 ance available for such individuals, including
6 public assistance benefits, mental health bene-
7 fits, employment counseling, and medical assist-
8 ance.

9 “(C) Such term does not include the provision
10 of major medical equipment.

11 “(D) All or part of the supportive services may
12 be provided directly by the project sponsor or by
13 arrangements with other public or private service
14 providers.

15 “(22) The term ‘unit of general local govern-
16 ment’ means—

17 “(A) a city, town, township, county, parish,
18 village, or other general purpose political sub-
19 division of a State;

20 “(B) the District of Columbia; and

21 “(C) any agency or instrumentality thereof
22 that is established pursuant to legislation and
23 designated by the chief executive to act on be-
24 half of the jurisdiction with regard to provisions
25 of this subtitle.

1 The term includes a consortium of geographically
2 contiguous units of general local government if the
3 Secretary determines that the consortium—

4 “(i) has sufficient authority and adminis-
5 trative capability to carry out the purposes of
6 this subtitle on behalf of its member jurisdic-
7 tions; and

8 “(ii) will, according to a written certifi-
9 cation by the State (or State, if the consortium
10 includes jurisdictions in more than one State),
11 direct its activities to alleviation of problems of
12 homeless individuals or families within the
13 State or States.

14 “(23) The term ‘urban county’ has the meaning
15 given the term in section 102(a) of the Housing and
16 Community Development Act of 1974.

17 “(24) The term ‘very low-income families’ has
18 the same meaning given the term under section 104
19 of the Cranston-Gonzalez National Affordable Hous-
20 ing Act.

21 **“SEC. 404. PROVISION OF GRANTS.**

22 “(a) AUTHORITY AND USE.—The Secretary may
23 make grants to eligible grantees in accordance with the
24 provisions of this subtitle. Grants under this subtitle may
25 be used only—

1 “(1) to carry out activities under chapter 2 for
2 assisting homeless individuals and families that are
3 conducted to provide comprehensive homeless assist-
4 ance required under section 405; and

5 “(2) for administrative expenses, to the extent
6 provided in section 436.

7 “(b) GENERAL RULE FOR AWARD OF GRANTS.—Ex-
8 cept as provided in subsection (c), the Secretary shall
9 make grants using amounts appropriated under section
10 402 in the manner provided in this subtitle.

11 “(c) INSUFFICIENT APPROPRIATIONS.—

12 “(1) TRIGGER.—If the amounts appropriated
13 pursuant to section 402 for any fiscal year are less
14 than 50 percent of the amount authorized to be ap-
15 propriated under such section for the year, the Sec-
16 retary shall use such amounts to make grants under
17 the provisions of this title as in effect immediately
18 before the enactment of the Housing and Commu-
19 nity Development Act of 1994.

20 “(2) GRANT REQUIREMENTS.—The Secretary
21 shall establish requirements for grants made under
22 this subsection, as the Secretary considers appro-
23 priate, that are additional or alternative to the re-
24 quirements under the provisions of this title as in ef-

1 fect immediately before the enactment of the Hous-
2 ing and Community Development Act of 1994.

3 “(3) GRANT CRITERIA.—The criteria for award-
4 ing grants under this subsection shall include—

5 “(A) the extent to which there is a need
6 for assistance for homeless individuals and fam-
7 ilies in the jurisdiction in which the grant will
8 be used;

9 “(B) the extent to which the activities pro-
10 posed to be carried out with grant amounts will
11 further the provision of comprehensive homeless
12 assistance required under section 405(b)(1);

13 “(C) the extent to which private nonprofit
14 organizations providing assistance to homeless
15 individuals and families in the jurisdiction have
16 been, and will be, included in planning for the
17 receipt of assistance under this subtitle, the de-
18 velopment of the application under section 408,
19 and the execution of the proposed activities;
20 and

21 “(D) such other criteria as the Secretary
22 considers appropriate to further the purposes of
23 this subsection and this subtitle.

24 “(4) SET ASIDE FOR INDIAN TRIBES AND INSU-
25 LAR AREAS.—In making grants under this sub-

1 section, the Secretary may to set aside such amounts
2 as the Secretary considers appropriate for grants for
3 Indian tribes and insular areas.

4 **“SEC. 405. COMPREHENSIVE HOMELESS ASSISTANCE.**

5 “(a) ESTABLISHMENT AND MAINTENANCE.—Each
6 applicant shall, based on information provided in the cur-
7 rent comprehensive affordable housing strategy for the ap-
8 propriate jurisdiction under section 105 of the Cranston-
9 Gonzalez National Affordable Housing Act or such other
10 plan as the Secretary may prescribe, use assistance pro-
11 vided under this subtitle in a manner that ensures that
12 comprehensive homeless assistance is established and
13 maintained within the jurisdiction of the applicant.

14 “(b) REQUIREMENTS.—For purposes of this subtitle,
15 comprehensive homeless assistance required under this
16 section shall include—

17 “(1) providing a system of outreach and assess-
18 ment for—

19 “(A) determining whether an individual or
20 family is homeless, needs assistance to avoid
21 being homeless, or needs other assistance; and

22 “(B) ensuring that individuals and families
23 so identified receive appropriate housing and
24 supportive services;

1 “(2) providing assistance to the extent nec-
2 essary to avoid eviction (or foreclosure) and termi-
3 nation of utility services of low- and very low-income
4 families to prevent such families from becoming
5 homeless;

6 “(3) making emergency shelters with appro-
7 priate supportive services available to the extent nec-
8 essary to ensure that homeless individuals and fami-
9 lies for which such housing is appropriate receive
10 adequate shelter, including during any period in
11 which an assessment referred to in paragraph (1) is
12 performed for such an individual or family;

13 “(4) making transitional housing with appro-
14 priate supportive services available to the extent nec-
15 essary to ensure that homeless individuals and fami-
16 lies for which such housing is appropriate are pre-
17 pared for increased responsibility and permanent
18 housing, or permanent supportive housing, after the
19 transition period;

20 “(5) making permanent supportive housing,
21 available to the extent necessary to meet the long-
22 term housing needs of all homeless individuals and
23 families;

1 “(6) providing assistance to meet specific needs
2 of various subpopulations of the homeless, especially
3 the unique needs of homeless veterans; and

4 “(7) providing for coordination of assistance
5 provided under this subtitle and assistance provided
6 under other Federal, State, and local programs that
7 may be used to assist homeless individuals and fami-
8 lies, including—

9 “(A) assistance under the programs for
10 public and Indian housing and section 8 rental
11 assistance under the United States Housing Act
12 of 1937 (including the program for section 8
13 assistance for moderate rehabilitation under
14 section 451 of this Act and the shelter plus care
15 program for such assistance under section 452
16 of this Act), the HOME Investment Partner-
17 ships Act, the community development block
18 grant program under title I of the Housing and
19 Community Development Act of 1974, the pro-
20 gram for supportive housing for the elderly
21 under section 202 of the Housing Act of 1959,
22 the program for supportive housing for persons
23 with disabilities under section 811 of the Cran-
24 ston-Gonzalez National Affordable Housing Act,
25 and the program for housing opportunities for

1 persons with AIDS under subtitle D of title
2 VIII of the Cranston-Gonzalez National Afford-
3 able Housing Act;

4 “(B) programs administered by the Direc-
5 tor of the Federal Emergency Management
6 Agency;

7 “(C) programs administered by the Sec-
8 retary of Labor, including programs for employ-
9 ment and training;

10 “(D) programs administered by the Sec-
11 retary of Health and Human Services, including
12 programs for health care, mental health care,
13 social services, income support services, run-
14 away youth, and unfit transient facilities;

15 “(E) programs administered by the Sec-
16 retary of Veterans Affairs (including programs
17 for compensation benefits, health care, and
18 mental health care, and other services and pro-
19 grams) that are specifically designed to assist
20 homeless veterans;

21 “(F) programs administered by the Sec-
22 retary of Education, including programs for
23 adult education and education for homeless
24 children and youth;

1 “(G) programs administered by the Cor-
2 poration for National and Community Service,
3 including programs for national service; and

4 “(H) such other assistance as the Sec-
5 retary shall prescribe upon consultation with
6 the Interagency Council on the Homeless.

7 **“SEC. 406. MATCHING REQUIREMENTS.**

8 “(a) IN GENERAL.—Except as provided in subsection
9 (c), each recipient shall supplement the amount of grants
10 provided under this subtitle to the recipient with an
11 amount of funds from non-Federal sources equal to 50
12 percent of the Federal grant, which shall include funds
13 from project sponsors receiving assistance from the
14 recipient.

15 “(b) SUPPLEMENTAL FUNDS.—Supplemental funds
16 may include (1) the value of any donated material or
17 building, the value of any lease on a building, (2) any sal-
18 ary paid to staff to carry out the program of a project
19 sponsor, (3) the value of the time and services contributed
20 by volunteers to carry out the program of project sponsor
21 at a rate determined by the Secretary, and (4) the pro-
22 ceeds from bond financing validly issued by a State or unit
23 of general local government, agency, or instrumentality
24 thereof, and repayable with revenues derived from a
25 project assisted under this subtitle, except that not more

1 than 25 percent of the contribution required may be de-
2 rived from the proceeds of such bond financings. Any
3 State or local government funds used independently from
4 the program under this title, or designated for such use,
5 to assist the homeless by carrying out activities that would
6 be eligible for assistance under this subtitle shall be con-
7 sidered supplemental funds under this section.

8 “(c) STATES.—

9 “In the case of a State administering grant
10 amounts under section 410(b)(1)(A), in each fiscal
11 year, the State shall supplement the amount of
12 grants provided under this subtitle with an amount
13 of funds from sources other than this subtitle equal
14 to 50 percent of the amount received under this sub-
15 title. Each grantee that is a State shall obtain any
16 supplemental amounts from State recipients receiv-
17 ing amounts under the grant.

18 “(d) PROHIBITION OF SUBSTITUTION OF FUNDS.—
19 Assistance provided under this subtitle may not be used
20 to replace other public funds previously used, or des-
21 ignated for use, to assist persons who are homeless.

22 “(e) CERTIFICATION.—Each recipient shall certify, to
23 the satisfaction of the Secretary, its compliance with the
24 provisions of this section, which shall describe the sources

1 and amounts of supplemental funds provided pursuant to
2 this section.

3 **“SEC. 407. RESPONSIBILITIES OF RECIPIENTS AND**
4 **PROJECT SPONSORS.**

5 “(a) USE OF ASSISTANCE THROUGH PRIVATE NON-
6 PROFIT ORGANIZATIONS.—Each recipient shall make
7 available more than 50 percent of the grant amounts it
8 receives for any fiscal year to project sponsors that are
9 private nonprofit organizations to carry out eligible activi-
10 ties under chapter 2, except that the Secretary may waive
11 the applicability of this requirement if the recipient dem-
12 onstrates to the Secretary that the requirement interferes
13 with the ability of the recipient to provide assistance under
14 this subtitle because of a paucity of qualified private non-
15 profit organizations in the jurisdiction of the recipient.

16 “(b) HOUSING QUALITY.—Each recipient shall en-
17 sure that housing assisted with grant amounts provided
18 under this subtitle is decent, safe, and sanitary and, when
19 appropriate, complies with all applicable State and local
20 housing codes, building codes, and licensing requirements
21 in the jurisdiction in which the housing is located.

22 “(c) PREVENTION OF UNDUE BENEFIT.—The Sec-
23 retary may prescribe such terms and conditions as the
24 Secretary considers necessary to prevent project sponsors
25 from unduly benefiting from the sale or other disposition

1 of projects other than a sale or other disposition resulting
2 in the use of the project for the direct benefit of very low-
3 income families.

4 “(d) CONFIDENTIALITY.—Each recipient shall de-
5 velop and implement procedures to ensure the confiden-
6 tiality of records pertaining to any individual provided
7 family violence prevention or treatment services under any
8 project and to ensure that the address or location or any
9 family violence shelter project assisted with grant amounts
10 under this subtitle will, except with written authorization
11 of the person or person responsible for the operation of
12 such shelter, not be made public.

13 “(e) EMPLOYMENT OF HOMELESS INDIVIDUALS.—
14 To the maximum extent practicable, the Secretary shall
15 ensure that recipients involve, through employment, volun-
16 teer services, or otherwise, homeless individuals and fami-
17 lies in constructing, renovating, maintaining, and operat-
18 ing facilities assisted with grant amounts under this sub-
19 title, in providing services so assisted, and in providing
20 services for occupants of facilities so assisted.

21 “(f) PARTICIPATION OF HOMELESS INDIVIDUALS.—
22 The Secretary shall, by regulation, provide that each recip-
23 ient shall require each project sponsor receiving assistance
24 under this subtitle from the recipient to provide for the
25 participation of not less than one homeless individual or

1 formerly homeless individual on the board of directors or
2 other equivalent policy making entity of the project spon-
3 sor, to the extent that such entity considers and makes
4 policies and decision regarding any project, facility, serv-
5 ices, or other activities assisted with grant amounts under
6 this subtitle. A recipient may grant waivers to project
7 sponsors unable to meet the requirement under the pre-
8 ceding sentence if the project sponsor agrees to otherwise
9 consult with homeless or formerly homeless individuals in
10 considering and making such policies and decisions.

11 **“SEC. 408. APPLICATION.**

12 “(a) REQUIREMENT.—Except as otherwise provided
13 in section 404(c), the Secretary may make a grant under
14 this subtitle only to an eligible grantee that submits an
15 application under this section that is approved by the
16 Secretary.

17 “(b) FORM AND PROCEDURE.—Applications shall be
18 submitted in such form and in accordance with such proce-
19 dures as the Secretary shall, by regulation, establish.

20 “(c) CONTENT.—An application under this section
21 shall—

22 “(1) include a detailed description, based on in-
23 formation provided in the current comprehensive
24 housing affordability strategy under section 105 of
25 the Cranston-Gonzalez National Affordable Housing

1 Act for the appropriate jurisdiction or such other
2 plan as the Secretary may prescribe, of—

3 “(A) the existing population of homeless
4 individuals and families for the jurisdiction of
5 the applicant; and

6 “(B) the existing facilities and services de-
7 signed to assist such population;

8 “(2) include a detailed description of the com-
9 prehensive homeless assistance under section 405 to
10 be established and maintained within the jurisdiction
11 of the applicant;

12 “(3) provide an assessment of what is required
13 to establish and maintain the provision of com-
14 prehensive homeless assistance required under sec-
15 tion 405 for the jurisdiction of the applicant;

16 “(4) set forth a multiyear strategy for estab-
17 lishing and maintaining the provision of comprehen-
18 sive homeless assistance for the jurisdiction, as de-
19 scribed pursuant to paragraph (2), and include time-
20 tables, goals, and budget estimates for accomplishing
21 each element of the strategy;

22 “(5) set forth a 1-year action plan that identi-
23 fies all activities to be carried out with assistance
24 under this subtitle and demonstrates how such ac-

1 tivities will further the strategy set forth pursuant to
2 paragraph (4);

3 “(6) except in the case of an application by a
4 State that elects under section 410(b)(1)(A) to ad-
5 minister grants under this subtitle, describe the
6 means the applicant will use to distribute grant
7 amounts to project sponsors and whether such
8 amounts will be awarded on a competitive or non-
9 competitive basis;

10 “(7) contain certifications or other such forms
11 of proof of commitments of financial and other re-
12 sources from each public agency or private nonprofit
13 organization that has a role in establishing and
14 maintaining the provision of comprehensive homeless
15 assistance for the jurisdiction of the applicant, re-
16 quired under section 405;

17 “(8) contain assurances satisfactory to the Sec-
18 retary that activities carried out under chapter 2
19 with grant amounts under this subtitle will comply
20 with the requirements of this subtitle;

21 “(9) in the case of an application by a State
22 that elects to under section 410(b)(1)(A) administer
23 grants under this subtitle, describe the method of
24 distribution of such amounts to State recipients;

1 “(10) except with respect to an application by
2 a State that elects to under section 410(b)(1)(A) to
3 administer grants under this subtitle, contain a cer-
4 tification from the public official responsible for sub-
5 mitting the comprehensive housing affordability
6 strategy under section 105 of the Cranston-Gonzalez
7 National Affordable Housing Act for the State or
8 unit of general local government within which a
9 project is to be located (or such other plan as the
10 Secretary may require) that the proposed project is
11 consistent with the approved housing strategy of
12 such State or unit of general local government;

13 “(11) contain a certification that the applicant
14 will comply with the requirements of the Fair Hous-
15 ing Act, title VI of the Civil Rights Act of 1964, sec-
16 tion 504 of the Rehabilitation Act of 1973, and the
17 Age Discrimination Act of 1975, and will affirma-
18 tively further fair housing; and

19 “(12) contain a certification that the applicant
20 will comply with the requirements of this subtitle
21 and other applicable laws.

22 “(d) RELATIONSHIP TO CHAS AND CONSOLIDATED
23 PLAN.—In establishing requirements for applications
24 under this section, the Secretary shall provide that if an
25 applicant includes in the application information also re-

1 quired under the comprehensive housing affordability
2 strategy for the appropriate jurisdiction under section 105
3 of the Cranston-Gonzalez National Affordable Housing
4 Act or such other plan as the Secretary may require, the
5 requirements under such subsection regarding such infor-
6 mation shall be considered to be fulfilled by the submission
7 of the application.

8 **“SEC. 409. ALLOCATION AND DISTRIBUTION OF FUNDS.**

9 “(a) INSULAR AREAS.—In each fiscal year, from any
10 amounts appropriated for such year to carry out this sub-
11 title, the Secretary shall allocate amounts to insular areas
12 in accordance with an allocation formula established by
13 the Secretary.

14 “(b) STATES AND ALLOCATION UNITS OF GENERAL
15 LOCAL GOVERNMENT.—

16 “(1) FORMULA ALLOCATION.—

17 “(A) IN GENERAL.—For each fiscal year,
18 of the amounts that remain after amounts are
19 reserved for insular areas under subsection (a),
20 the Secretary shall allocate assistance according
21 to this paragraph.

22 “(B) FORMULA.—The Secretary shall allo-
23 cate amounts under this paragraph using a for-
24 mula established by the Secretary that allocates
25 amounts for allocation units of general local

1 government and States, and for Indian tribes,
2 in a manner that provides that the percentage
3 of the total amount referred to in subparagraph
4 (A) for any fiscal year that is allocated for any
5 State or allocation unit of general local govern-
6 ment, or for Indian tribes, is equal to the per-
7 centage of the total amount available for section
8 106 of the Housing and Community Develop-
9 ment Act of 1974 for the prior fiscal year that
10 was allocated for such State or allocation unit
11 of general local government, or for Indian
12 tribes.

13 “(C) MINIMUM AMOUNT.—If, in any fiscal
14 year, allocation under the provisions of subpara-
15 graphs (A) and (B) would result in any alloca-
16 tion unit of general local government receiving
17 a grant of less than 0.05 percent of the
18 amounts appropriated to carry out this subtitle
19 for the fiscal year, such amount shall instead be
20 reallocated to the State for use under section
21 410(b).

22 “(D) 70 PERCENT FOR UNITS OF GENERAL
23 LOCAL GOVERNMENT.—In each fiscal year, the
24 amount allocated under this paragraph for each
25 allocation unit of general local government shall

1 be the amount that results from increasing all
2 of the amounts determined pursuant to the pre-
3 ceding subparagraphs for allocation units of
4 general local government on a pro rata basis so
5 that the sum of such amounts is equal to 70
6 percent of the remainder of the amount appro-
7 priated for the year to carry out this subtitle
8 after amounts are allocated for insular areas
9 under subsection (a).

10 “(E) 30 PERCENT FOR STATES.—In each
11 fiscal year, the amount allocated under this
12 paragraph for each State shall be the amount
13 that results from decreasing all of the amounts
14 determined pursuant to the preceding subpara-
15 graphs for States on a pro rata basis so that
16 the sum of such amounts is equal to 30 percent
17 of the remainder of the amount appropriated
18 for the year to carry out this subtitle after
19 amounts are allocated for insular areas under
20 subsection (a).

21 “(2) GRANT AMOUNT FOR STATES AND ALLO-
22 CATION UNITS OF GENERAL LOCAL GOVERNMENT.—

23 “(A) IN GENERAL.—The amount allocated
24 for a fiscal year under paragraph (1) for an al-
25 location unit of general local government or a

1 State shall be the maximum amount that the
2 allocation unit or State may receive under this
3 subtitle for the fiscal year.

4 “(B) REDUCTION.—In any fiscal year, the
5 Secretary may provide a grant under this sub-
6 title for a State or for an allocation unit of gen-
7 eral local government in an amount less than
8 the amount allocated under paragraph (1), if
9 the Secretary determines based upon review of
10 the application of the jurisdiction under section
11 408 or as a result of the annual performance
12 review and audit under section 413, that the ju-
13 risdiction has failed to comply fully with the re-
14 quirements under section 408 or 411 or that
15 such action is otherwise appropriate.

16 “(3) MINIMUM STATE ALLOCATION.—Notwith-
17 standing paragraph (2), if, in allocating amounts for
18 States under paragraph (1) for any fiscal year, the
19 amount allocated for the year for a State is less
20 than \$2,000,000, the allocation for the State shall
21 instead be \$2,000,000 and the increase shall be de-
22 ducted pro rata from the allocations of other States.

23 “(c) REALLOCATIONS.—Any amounts that a State or
24 an allocation unit of general local government is eligible
25 to receive for a fiscal year under subsection (b) that are

1 not received for use in the jurisdiction, as provided by sub-
2 sections (a) and (b) of section 410, or that become avail-
3 able as a result of actions under section 413(b), shall be
4 added to amounts available for allocation under this sec-
5 tion for the succeeding fiscal year.

6 **“SEC. 410. ADMINISTRATION OF PROGRAM.**

7 “(a) GRANTS TO ALLOCATION UNITS OF GENERAL
8 LOCAL GOVERNMENT, INDIAN TRIBES, AND INSULAR
9 AREAS.—

10 “(1) IN GENERAL.—Except as provided in para-
11 graphs (2), (3), and (4), an allocation unit of gen-
12 eral local government, Indian tribe, or insular area
13 shall administer grant amounts for any fiscal year
14 received under section 409 by such grantees.

15 “(2) ADMINISTRATION BY DESIGNEES OF JU-
16 RISDICTION.—

17 “(A) AUTHORITY TO ELECT.—An alloca-
18 tion unit of general local government, Indian
19 tribe, or insular area may elect for any fiscal
20 year to designate a public agency or a private
21 nonprofit organization (or a consortium of such
22 organizations) to administer grant amounts
23 under section 409 for the jurisdiction.

24 “(B) ELECTION REQUIREMENTS.—The
25 Secretary shall prescribe the manner and time

1 for making an election under subparagraph (A),
2 and shall establish criteria for the approval of
3 agencies and organizations designated, which
4 shall require such agencies and organizations to
5 demonstrate experience of the entity in provid-
6 ing assistance to homeless individuals and fami-
7 lies in the jurisdiction.

8 “(C) DIRECT PROVISION OF ASSIST-
9 ANCE.—The Secretary may, at the request of
10 the jurisdiction, provide grant amounts directly
11 to the agency or organization designated under
12 this paragraph.

13 “(3) ADMINISTRATION BY DESIGNEES OF SEC-
14 RETARY.—If an allocation unit of general local gov-
15 ernment, Indian tribe, or insular area, or (if appro-
16 priate) a public agency or private nonprofit organi-
17 zation designated by the jurisdiction under para-
18 graph (2), does not receive a grant under section
19 409 for any fiscal year because of failure to meet the
20 application requirements of section 408, the Sec-
21 retary may designate an agency or organization
22 meeting the criteria established under paragraph
23 (2)(B) to receive the grant.

24 “(4) ADMINISTRATION BY SECRETARY.—If for
25 any fiscal year the Secretary determines that the

1 grant amounts allocated under section 409 for an al-
2 location unit of general local government, Indian
3 tribe, or insular area will not be used in the jurisdic-
4 tion as provided by the preceding provisions of this
5 subsection, the Secretary may administer such
6 amounts for the jurisdiction. The Secretary shall
7 prescribe such procedures and requirements as the
8 Secretary considers appropriate for administering
9 grant amounts under this paragraph.

10 “(b) GRANTS TO STATES.—

11 “(1) IN GENERAL.—To receive an allocation
12 under section 409, each State shall elect—

13 “(A) to administer grant amounts received
14 under section 409, as provided in paragraphs
15 (2) and (3); or

16 “(B) to have the Secretary administer such
17 grant amounts for the State, as provided in
18 paragraph (5).

19 If a State elects to administer grant amounts under
20 subparagraph (A), the election shall be irrevocable.

21 “(2) STATE PROGRAM.—A State administering
22 grant amounts as provided in paragraph (1)(A)—

23 “(A) shall distribute the amounts remain-
24 ing after use in accordance with subparagraph

1 (B) to State recipients for use under this sub-
2 title;

3 “(B) may use up to 15 percent of the
4 grant amounts received under section 409 to
5 carry out its own homeless assistance program
6 under this subtitle, except that—

7 “(i) such amounts may only be used
8 for eligible activities under chapter 2 for
9 which States are eligible recipients under
10 this subtitle; and

11 “(ii) the Secretary may increase the
12 percentage limitation under this subpara-
13 graph in the case of any State homeless
14 assistance program that is limited to pro-
15 viding assistance in areas of the State that
16 are not allocation units of general local
17 government; and

18 “(C) may retain not to exceed 5.0 percent
19 of the amount to be distributed under subpara-
20 graph (A) to State recipients to defray the cost
21 of carrying out its responsibilities under this
22 subtitle.

23 Unless a State demonstrates to the satisfaction of
24 the Secretary that the needs for assistance for ac-
25 tivities under this subtitle in areas of the State that

1 are not allocation units of general local government
2 have been fulfilled, grant amounts received by State
3 may only be used to carry out activities in areas of
4 the State that do not include allocation units of gen-
5 eral local government.

6 “(3) DISTRIBUTION OF AMOUNTS TO STATE RE-
7 CIPIENTS.—

8 “(A) CHOICE OF ADMINISTRATION.—A
9 State administering grant amounts as provided
10 in paragraph (1)(A) shall, for each fiscal year,
11 afford each such recipient the options of—

12 “(i) administering the grant amounts
13 on its own behalf;

14 “(ii) designating a public agency or a
15 private nonprofit organization (as provided
16 by subsection (a)(2)) to administer the
17 grant amounts for the jurisdiction; or

18 “(iii) entering into an agreement with
19 the State, in consultation with private non-
20 profit organizations providing assistance to
21 homeless individuals and families in the ju-
22 risdiction, under which the State will ad-
23 minister the grant amounts for the juris-
24 diction.

1 A recipient may choose to exercise such options
2 at such time and in accordance with such cri-
3 teria as the Secretary may prescribe.

4 “(B) DIRECT PROVISION OF ASSIST-
5 ANCE.—A State may, at the request of the
6 State recipient, provide grant amounts directly
7 to the agency or organization designated under
8 subparagraph (A)(ii).

9 “(C) DISTRIBUTION OF AMOUNTS.—The
10 State shall distribute amounts to State recipi-
11 ents (or to agencies or organizations designated
12 under subparagraph (A)(ii), as appropriate) on
13 the basis of an application containing such in-
14 formation as the State may prescribe. Each ap-
15 plication shall evidence an intent to establish
16 and maintain the provision of comprehensive
17 homeless assistance in the jurisdiction of the re-
18 cipient, except that the State may waive this re-
19 quirement with respect to one or more proposed
20 activities, where the State determines that—

21 “(i) the activities are necessary to
22 meet the needs of homeless individuals and
23 families within the jurisdiction; and

24 “(ii) comprehensive homeless assist-
25 ance is not necessary, due to the nature

1 and extent of homelessness in the jurisdic-
2 tion.

3 “(D) PREFERENCE FOR CERTAIN STATE
4 RECIPIENTS.—In selecting State recipients and
5 making awards under subparagraph (C), the
6 State shall give preference to applications that
7 demonstrate higher relative levels of homeless
8 need and fiscal distress.

9 “(4) STATE OR HUD ADMINISTRATION OF
10 GRANTS FOR INDIVIDUAL STATE RECIPIENTS.—If in
11 any fiscal year a State distributes grant amounts to
12 a State recipient, but the recipient fails to receive
13 the amounts pursuant to paragraph (3)(A), the Sec-
14 retary or the State, as the Secretary may provide,
15 may distribute the amounts to private nonprofit or-
16 ganizations in the jurisdiction. If the Secretary dis-
17 tributes the amounts, the Secretary shall deduct the
18 amounts distributed from the grant provided to the
19 State for the fiscal year.

20 “(5) HUD ADMINISTRATION OF STATE PRO-
21 GRAM.—If a State elects pursuant to paragraph
22 (1)(B) to have the Secretary administer grant
23 amounts for the State received under section 409,
24 the Secretary may distribute grant amounts to State
25 recipients for the State, in accordance with require-

1 ments and procedures prescribed by the Secretary.
2 The Secretary shall establish criteria for selecting
3 recipients and making awards under this paragraph,
4 which shall include giving preference to applications
5 that demonstrate higher relative levels of homeless
6 need and fiscal distress.

7 **“SEC. 411. CITIZEN PARTICIPATION.**

8 “(a) IN GENERAL.—Each grantee who is not a State
9 recipient shall ensure that citizens, and appropriate pri-
10 vate nonprofit organizations and other interested groups
11 and entities, participate fully in developing and carrying
12 out the program for providing assistance under this sub-
13 title in the jurisdiction of the recipient. The Secretary
14 shall prescribe such requirements to carry out this section
15 as the Secretary deems appropriate, which shall include
16 requirements applicable to the homeless assistance plan-
17 ning boards referred to in subsection (b) and the citizen
18 participation provisions of subsection (c), and the timing
19 of, and sequence for, carrying out the requirements of
20 such subsections.

21 “(b) HOMELESS ASSISTANCE PLANNING BOARDS.—

22 “(1) ESTABLISHMENT.—As a condition of a
23 grantee who is not a State recipient receiving assist-
24 ance under this subtitle, the chief executive officer of
25 the appropriate unit government in the jurisdiction

1 of the grantee shall establish and provide support
2 for the operation of a homeless assistance planning
3 board under this subsection.

4 “(2) FUNCTIONS.—Each board under this sub-
5 section shall assist the recipient in—

6 “(A) determining whether grant amounts
7 of the grantee should be administered by the
8 grantee, a public agency or private nonprofit or-
9 ganization, or the State or the Secretary, under
10 subsections (a) and (b) of section 410;

11 (B) developing the application under sec-
12 tion 408;

13 (C) overseeing the activities carried out
14 with assistance under this subtitle; and

15 (D) evaluating the performance of the
16 grantee (and recipients of the grantee) in carry-
17 ing out such activities.

18 “(3) MEMBERSHIP.—Each board under this
19 subsection shall consist of members appointed by the
20 chief executive officer referred to in paragraph (1)
21 (subject to recommendations in accordance with
22 paragraph (4)), and shall include—

23 “(A) not less than one member represent-
24 ing homeless individuals and families;

1 “(B) not less than one member represent-
2 ing homeless advocates;

3 “(C) not less than one member represent-
4 ing individuals and entities providing assistance
5 to homeless individuals and families, including
6 agencies of units of general local government
7 providing Federal assistance;

8 “(D) not less than one member represent-
9 ing the business community;

10 “(E) not less than one member represent-
11 ing labor;

12 “(F) not less than one member who is a
13 community representative;

14 “(G) not less than one member of the local
15 board established for the jurisdiction for pur-
16 poses of allocating amounts under the emer-
17 gency food and shelter program of the Federal
18 Emergency Management Agency;

19 “(H) not less than one member represent-
20 ing the grantee; and

21 “(I) in the case of a grantee that is a
22 State—

23 “(i) one member representing the
24 State agency or instrumentality dealing
25 with mental health; and

1 “(ii) one member representing the
2 State agency or instrumentality dealing
3 with education.

4 “(4) DISTRIBUTION OF MEMBERSHIP.—Not less
5 than 50 percent of the members of each board under
6 this subsection (including the members required
7 under subparagraphs (A), (B), (C), and (G) of para-
8 graph (3)) shall be members of the board that rep-
9 resent homeless individuals and families, homeless
10 advocates, or nongovernmental entities that provide
11 assistance to homeless individuals and families. They
12 shall be individuals who were recommended for
13 membership by individuals and entities other than a
14 unit of general local government or any agency
15 thereof.

16 “(5) BOARD REVIEW.—

17 “(A) APPLICANTS.—No eligible grantee
18 may submit an application to the Secretary
19 under section 408, and no grantee may submit
20 to the Secretary a performance report under
21 subsection 413(a), unless the board under this
22 subsection for the jurisdiction of the grantee
23 has reviewed, and been provided an opportunity
24 to include any comments of the board in, the
25 application or report.

1 “(B) STATE RECIPIENTS.—No State recip-
2 ient may submit an application under section
3 410(b)(3) or a performance report to a State,
4 unless the board under this subsection for the
5 jurisdiction has reviewed, and been provided an
6 opportunity to include any comments of the
7 board in, the application or report.

8 “(6) REVIEW BY SECRETARY.—A member or
9 members of the board under this subsection for a ju-
10 risdiction or other members of the community may
11 request the Secretary to review process for constitut-
12 ing or operating the board to determine whether the
13 process is fair. If the Secretary finds that the proc-
14 ess is unfair and submits a written justification to
15 the board within 15 days of the request for review,
16 the Secretary may disapprove the application under
17 section 408 for the jurisdiction or refuse to accept
18 a performance report under section 413(a).

19 “(7) CONFLICTS OF INTEREST.—The Secretary
20 shall prescribe standards governing potential con-
21 flicts of interest under which members of boards
22 under this subsection may participate in activities
23 carried out under this subtitle.

24 “(c) INVOLVEMENT OF CITIZENS AND OTHERS.—

25 “(1) IN GENERAL.—Each recipient shall—

1 “(A) make available to its citizens, public
2 agencies, and other interested parties informa-
3 tion concerning the amount of assistance the ju-
4 risdiction expects to receive and the range of
5 activities that may be undertaken with the as-
6 sistance;

7 “(B) publish the proposed application in a
8 manner that, in the determination of the Sec-
9 retary, affords affected citizens, public agencies,
10 and other interested parties a reasonable oppor-
11 tunity to examine its content and to submit
12 comments on it;

13 “(C) hold one or more public hearings to
14 obtain the views of citizens, public agencies, and
15 other interested parties on the housing needs of
16 the jurisdiction; and

17 “(D) provide citizens, public agencies, and
18 other interested parties with reasonable access
19 to records regarding any uses of any assistance
20 the recipient may have received under this sub-
21 title during the preceding 5 years.

22 “(2) NOTICE AND COMMENT.—Before submit-
23 ting any performance report under section 413(a) or
24 any substantial amendment to an application under
25 section 408, a recipient shall provide citizens with

1 reasonable notice of, and opportunity to comment
2 on, the performance report or application.

3 “(3) CONSIDERATION OF COMMENTS.—A recipi-
4 ent shall consider any comments or views of citizens
5 in preparing a final application, amendment to an
6 application, or performance report for submission. A
7 summary of such comments or views shall be at-
8 tached when an application, amendment to an appli-
9 cation, or performance report is submitted. The sub-
10 mitted application, amendment, or report shall be
11 made available to the public.

12 “(4) AUTHORITY OF SECRETARY.—The Sec-
13 retary shall establish procedures appropriate and
14 practicable for providing a fair hearing and timely
15 resolution of citizen complaints related to applica-
16 tions or performance reports under this subtitle.

17 “(d) REQUIREMENTS FOR CITIZEN PARTICIPATION
18 FOR STATE RECIPIENTS AND RECIPIENTS OF AMOUNTS
19 FROM THE SECRETARY.—

20 “(1) STATE RECIPIENTS.—The State may pre-
21 scribe citizen participation requirements comparable
22 (to the extent appropriate) to the requirements
23 under the preceding provisions of this section for
24 cases in which a State distributes grant amounts to
25 State recipients, as provided in section 410(b)(2).

1 “(2) RECIPIENTS FROM SECRETARY.—The Sec-
2 retary may prescribe citizen participation require-
3 ments comparable (to the extent appropriate) to the
4 requirements under the preceding provisions of this
5 section for cases in which the Secretary—

6 “(A) administers the grant amounts of an
7 allocation unit of general local government, as
8 provided in section 410(a)(4); or

9 “(B) distributes grant amounts to recipi-
10 ents, as provided in paragraph (3), (4), or (5)
11 of section 410(b).

12 “(3) INAPPLICABLE LAWS.—The Federal Advi-
13 sory Committee Act and section 12 of the Depart-
14 ment of Housing and Urban Development Act shall
15 not apply with respect to the actions of the Sec-
16 retary referred to in paragraph (2). The Secretary
17 shall establish appropriate standards under this
18 paragraph to ensure the integrity of the process for
19 awarding assistance.

20 **“SEC. 412. APPLICABILITY OF OTHER PROVISIONS.**

21 “(a) FLOOD ELEVATION REQUIREMENTS.—Flood
22 protection standards applicable to housing acquired, reha-
23 bilitated, or assisted under this subtitle shall be no more
24 restrictive than the standards applicable to any other pro-
25 gram administrated by the Secretary.

1 “(b) ENVIRONMENTAL PROTECTION.—The provi-
2 sions of, and regulations and procedures applicable under,
3 section 104(g) of the Housing and Community Develop-
4 ment Act of 1974 shall apply to assistance and projects
5 under this subtitle.

6 “(c) GAO AUDITS.—Insofar as they relate to funds
7 provided under this subtitle, the financial transactions of
8 grantees and project sponsors may be audited by the Gen-
9 eral Accounting Office under such rules and regulations
10 as may be prescribed by the Comptroller General of the
11 United States. The representatives of the General Ac-
12 counting Office shall have access to all books, accounts,
13 records, reports, files and other papers, things, or property
14 belonging to, or in use by such grantees, and project spon-
15 sors pertaining to the financial transactions and necessary
16 to facilitate the audit.

17 **“SEC. 413. REPORTS, REVIEWS, AND AUDITS.**

18 “(a) GRANTEE PERFORMANCE REPORT.—Each
19 grantee shall submit to the Secretary a performance and
20 evaluation report concerning the use of funds made avail-
21 able under this subtitle. The report shall be submitted at
22 such time and contain such information as the Secretary
23 shall prescribe, and shall be made available to the relevant
24 boards referred to in section 411(b) and to citizens, public
25 agencies, and other interested parties in the jurisdiction

1 of the grantee in sufficient time to permit the board and
2 the citizens, public agencies, and other interested parties
3 to comment on the report before submission.

4 “(b) REVIEWS AND AUDITS.—The Secretary shall, at
5 least on an annual basis, make such reviews and audits
6 as may be necessary or appropriate to determine—

7 “(1) in the case of a grantee (other than a
8 grantee referred to in paragraph (2)), whether the
9 grantee—

10 “(A) has carried out its activities in a
11 timely manner;

12 “(B) has made progress toward establish-
13 ing and maintaining the comprehensive home-
14 less assistance system in conformity with its ap-
15 plication under this subtitle;

16 “(C) has carried out its activities and cer-
17 tifications in accordance with the requirements
18 of this subtitle and other applicable laws; and

19 “(D) has a continuing capacity to carry
20 out its activities in a timely manner; and

21 “(2) in the case of States distributing grant
22 amounts to State recipients, whether the State—

23 “(A) has distributed amounts to State re-
24 cipients in a timely manner and in conformance

1 with the method of distribution described in its
2 application;

3 “(B) has carried out its activities and cer-
4 tifications in compliance with the requirements
5 of this subtitle and other applicable laws; and

6 “(C) has made such reviews and audits of
7 the State recipients as may be necessary or ap-
8 propriate to determine whether they have satis-
9 fied the applicable performance criteria con-
10 tained in paragraph (1).

11 The Secretary may make appropriate adjustments in the
12 amount of grants in accordance with the Secretary’s find-
13 ings under this subsection. With respect to assistance
14 made available for State recipients, the Secretary may ad-
15 just, reduce, or withdraw such assistance, or take other
16 action as appropriate in accordance with the Secretary’s
17 reviews and audits under this subsection, except that
18 amounts already properly expended on eligible activities
19 under this subtitle shall not be recaptured or deducted
20 from future assistance to such recipients.

21 **“SEC. 414. NONDISCRIMINATION IN PROGRAMS AND AC-**
22 **TIVITIES.**

23 “(a) IN GENERAL.—No person in the United States
24 shall on the ground of race, color, national origin, religion,
25 or sex be excluded from participation in, be denied the

1 benefits of, or be subjected to discrimination under any
2 program or activity funded in whole or in part with funds
3 made available under this subtitle. Any prohibition against
4 discrimination on the basis of age under the Age Discrimi-
5 nation Act of 1975 or with respect to an otherwise quali-
6 fied handicapped individual, as provided in section 504 of
7 the Rehabilitation Act of 1973, shall also apply to any
8 such program or activity.

9 “(b) LIMITATIONS.—

10 “(1) INDIAN TRIBES.—No grant may be made
11 under this subtitle to an Indian tribe unless the ap-
12 plicant provides satisfactory assurances that its pro-
13 gram will be conducted and administered in con-
14 formity with title II of Public Law 90–284. The Sec-
15 retary may waive, in connection with grants to In-
16 dian tribes, the provisions of subsection (a).

17 “(2) HAWAIIAN HOME LANDS.—The provisions
18 of this subtitle relating to discrimination on the
19 basis of race shall not apply to the provision of as-
20 sistance under this subtitle to the Hawaiian Home
21 Lands.

22 **“SEC. 415. CONSULTATION.**

23 “In carrying out the provisions of this subtitle, in-
24 cluding the issuance of regulations, the Secretary shall
25 consult with other Federal agencies administering pro-

1 grams affecting homeless individuals and families through
2 the Interagency Council on the Homeless established
3 under title II.

4 **“SEC. 416. RECORDS, REPORTS, AND AUDITS.**

5 “(a) KEEPING OF RECORDS.—Any recipient (includ-
6 ing a State distributing grant amounts to State recipients
7 as provided in section 410(b)(2)) shall keep such records
8 as may be reasonably necessary—

9 “(1) to disclose the amounts and the disposition
10 of the grant amounts; and

11 “(2) to ensure compliance with the require-
12 ments of this subtitle.

13 “(b) ACCESS TO DOCUMENTS BY SECRETARY.—The
14 Secretary shall have access for the purpose of audit and
15 examination to any books, documents, papers, and records
16 of any recipient specified in subsection (a) that are perti-
17 nent to grant amounts received in connection with, and
18 the requirements of, this subtitle.

19 “(c) ACCESS TO DOCUMENTS BY COMPTROLLER
20 GENERAL.—The Comptroller General of the United
21 States, or any of the duly authorized representatives of
22 the Comptroller General, shall have access for the purpose
23 of audit and examination to any books, documents, papers,
24 and records of any recipient specified in subsection (a)

1 that are pertinent to grant amounts received in connection
2 with, and the requirements of, this subtitle.

3 **“SEC. 417. REPORTS TO CONGRESS.**

4 “The Secretary shall submit a report to the Congress
5 annually, summarizing the activities carried out under this
6 subtitle and setting forth the findings, conclusions, and
7 recommendations of the Secretary as a result of the activi-
8 ties. The report shall be submitted not later than 4
9 months after the end of each fiscal year (except that, in
10 the case of fiscal year 1995, the report shall be submitted
11 not later than 6 months after the end of the fiscal year).

12 **“CHAPTER 2—ELIGIBLE ACTIVITIES**

13 **“SEC. 431. HOMELESSNESS PREVENTION.**

14 “(a) ELIGIBLE ACTIVITIES.—A recipient may use
15 grant amounts under this subtitle for activities designed
16 to help persons and families described in subsection (b)
17 avoid becoming homeless, which shall include assistance
18 for making mortgage payments, rental payments, and util-
19 ity payments and any activities other than those found by
20 the Secretary to be inconsistent with the purposes of this
21 Act.

22 “(b) REQUIREMENTS FOR ASSISTANCE.—Assistance
23 may be provided under this section only to very low-income
24 persons and families who have received eviction (or mort-

1 gage delinquency or foreclosure) notices or notices of ter-
2 mination of utility services and who—

3 “(1) are unable to make the required payments
4 due to a sudden reduction in income;

5 “(2) need such assistance to avoid the eviction
6 or termination of services; and

7 “(3) have a reasonable prospect of being able to
8 resume payments within a reasonable period of time.

9 **“SEC. 432. EMERGENCY SHELTER.**

10 “(a) ELIGIBLE ACTIVITIES.—A recipient may use
11 grant amounts under this subtitle for—

12 “(1) the renovation, major rehabilitation, or
13 conversion of a building or buildings to be used as
14 emergency shelters;

15 “(2) the provision of supportive services, if such
16 services do not supplant any services provided by the
17 local government during any part of the 12-month
18 period ending on the date of the commencement of
19 the operation of the emergency shelter; and

20 “(3) maintenance, operation, insurance, utili-
21 ties, and furnishings for emergency shelters.

22 “(b) DEFINITION.—A project shall be considered
23 emergency shelter for purposes of this section if the
24 project is designed to provide overnight sleeping accom-
25 modations for homeless persons. An emergency shelter

1 may include appropriate eating and cooking accommoda-
2 tions.

3 “(c) PROGRAM REQUIREMENTS.—A recipient may
4 use grant amounts under this subtitle for an emergency
5 shelter project only if the project sponsor has agreed that
6 it will—

7 “(1) in the case of assistance involving major
8 rehabilitation or conversion of a building, maintain
9 the building as a shelter for homeless individuals
10 and families for not less than a 10-year period un-
11 less, within such 10-year period, the need for main-
12 taining the building as a full-time shelter ceases to
13 exist and the building is used for the remainder of
14 such period to carry out other eligible activities
15 under this subtitle;

16 “(2) in the case of assistance involving rehabili-
17 tation (other than major rehabilitation or conversion
18 of a building), maintain the building as a shelter for
19 homeless individuals and families for not less than
20 a 3-year period; or

21 “(3) in the case of assistance involving only ac-
22 tivities described in paragraphs (2) and (3) of sub-
23 section (a), provide services or shelter to homeless
24 individuals and families at the original site or struc-
25 ture or other sites or structures serving the same

1 general population for the period during which such
2 assistance is provided;

3 “(4) comply with the standards of habitability
4 prescribed under subsection (d) by the Secretary and
5 (if applicable) the State or unit of general local gov-
6 ernment; and

7 “(5) assist homeless persons in obtaining—

8 “(A) appropriate supportive service, includ-
9 ing permanent housing, medical and mental
10 health treatment, counseling, supervision, and
11 other services essential for achieving independ-
12 ent living; and

13 “(B) other Federal, State, local, and pri-
14 vate assistance available for homeless persons.

15 “(d) MINIMUM STANDARDS OF HABITABILITY.—The
16 Secretary shall prescribe such minimum standards of hab-
17 itability as the Secretary determines to be appropriate to
18 ensure that emergency shelters assisted under this section
19 are environments that provide appropriate privacy, safety,
20 and sanitary and other health-related conditions for home-
21 less persons and families. Grantees may establish stand-
22 ards of habitability in addition to those prescribed by the
23 Secretary.

1 **“SEC. 433. SUPPORTIVE HOUSING FOR THE HOMELESS.**

2 “(a) ELIGIBLE ACTIVITIES.—A recipient may use
3 grant amounts under this subtitle to provide assistance to
4 a project sponsor of supportive housing in the following
5 manners:

6 “(1) ACQUISITION AND REHABILITATION.—As-
7 sistance may be provided in the form of an advance
8 in an amount not exceeding cost of acquisition, sub-
9 stantial rehabilitation, or acquisition and rehabilita-
10 tion of an existing structure for use as supportive
11 housing. The repayment of any outstanding debt
12 owed on a loan made to purchase an existing struc-
13 ture shall be considered to be a cost of acquisition
14 eligible for an advance under this paragraph if the
15 structure was not used as supportive housing before
16 the receipt of assistance.

17 “(2) MODERATE REHABILITATION.—Assistance
18 may be provided in the form of a grant for moderate
19 rehabilitation of an existing structure for use as sup-
20 portive housing. Assistance under this paragraph
21 shall not preclude assistance under paragraph (1).

22 “(3) OPERATING COSTS.—Assistance may be
23 provided in the form of annual payments for operat-
24 ing costs of supportive housing (including supportive
25 housing that is newly constructed with assistance
26 provided from sources other than this subtitle) in an

1 amount not exceeding 75 percent of the annual oper-
2 ating costs of such housing.

3 “(4) TECHNICAL ASSISTANCE.—Technical as-
4 sistance may be provided in—

5 “(A) establishing supportive housing in an
6 existing structure;

7 “(B) operating supportive housing in exist-
8 ing structures and in structures that are newly
9 constructed with assistance provided from
10 sources other than this subtitle; and

11 “(C) providing supportive services to the
12 residents of supportive housing (including sup-
13 portive housing that is newly constructed with
14 assistance provided from sources other than
15 this subtitle).

16 “(5) EMPLOYMENT ASSISTANCE PROGRAM.—
17 Assistance may be provided in the form of a grant
18 for establishing and operating an employment assist-
19 ance program for the residents of supportive hous-
20 ing, which shall include—

21 “(A) employment of residents in the oper-
22 ation and maintenance of the housing; and

23 “(B) the payment of the transportation
24 costs of residents to places of employment.

1 “(6) SUPPORTIVE SERVICES.—Assistance may
2 be provided in the form of a grant for costs of sup-
3 portive services provided to homeless individuals.
4 Any project sponsor, including program recipients
5 under title IV of this Act before the date of the en-
6 actment of the Housing and Community Develop-
7 ment Act of 1994, may reapply for such assistance
8 or for the renewal of such assistance to continue
9 services funded under prior grants or to provide
10 other services.

11 “(7) CHILD CARE SERVICES.—Assistance may
12 be provided in the form of a grant to establish and
13 operate a child care services program for homeless
14 families, which shall—

15 “(A) include—

16 “(i) establishing, licensing, and oper-
17 ating an onsite child care facility for the
18 residents of transitional housing;

19 “(ii) making contributions for the
20 child care costs of residents of transitional
21 housing to existing community child care
22 programs and facilities; and

23 “(iii) counseling designed to inform
24 the residents of transitional housing of

1 public and private child care services for
2 which they are eligible; and

3 “(B) provide only child care services that
4 comply with any applicable State and local laws
5 and regulations.

6 A grant under this paragraph for any child care
7 services program may not exceed the amount equal
8 to 75 percent of the cost of operating the program
9 for a period not exceeding 5 years.

10 “(b) SUPPORTIVE HOUSING.—Housing for homeless
11 individuals shall be considered to be supportive housing
12 for purposes of this section if—

13 “(1) the housing is safe and sanitary and meets
14 any applicable State and local housing codes and li-
15 censing requirements in the jurisdiction in which the
16 housing is located;

17 “(2) the housing is—

18 “(A) transitional housing;

19 “(B) permanent housing for homeless per-
20 sons with disabilities; or

21 “(C) a particularly innovative project for,
22 or alternative methods of, meeting the imme-
23 diate and long-term needs of homeless individ-
24 uals and families (or is part of such a project);
25 and

1 “(3) supportive services are provided in connec-
2 tion with the housing to address the special needs of
3 homeless individuals intended to be served by the
4 housing.

5 “(c) TRANSITIONAL HOUSING.—For purposes of this
6 section, the term ‘transitional housing’ means housing, the
7 purpose of which is to facilitate the movement of homeless
8 individuals and families to permanent housing within 24
9 months or such longer period as the Secretary determines
10 necessary.

11 “(d) PERMANENT HOUSING FOR HOMELESS PER-
12 SONS WITH DISABILITIES.—For purposes of this section,
13 the term ‘permanent housing for homeless persons with
14 disabilities’ means community-based housing for homeless
15 persons with disabilities that—

16 “(1) is a home designed solely for housing
17 homeless persons with disabilities or dwelling units
18 in a multifamily housing project, condominium
19 project, or cooperative project;

20 “(2) in the case of a home, is located on a site
21 that does not contain another home used for the
22 same purposes and that is not contiguous to another
23 site containing a home used for the same purposes;
24 and

1 “(3) provides long-term housing and supportive
2 services for not more than—

3 “(A) 8 such persons in a single structure
4 or contiguous structures;

5 “(B) 16 such persons, but only if not more
6 than 20 percent of the units in a structure are
7 designated for such persons; or

8 “(C) more than 16 persons if the applicant
9 demonstrates that local market conditions dic-
10 tate the development of a large project and
11 such development will achieve the neighborhood
12 integration objectives of the program within the
13 context of the affected community.

14 “(e) PROGRAM REQUIREMENTS.—

15 “(1) REQUIRED AGREEMENTS.—A recipient
16 may use grant amounts under this subtitle for a
17 supportive housing project under this section only if
18 the project sponsor for the project has agreed—

19 “(A) to operate the proposed project as
20 supportive housing for not less than 10 years;

21 “(B) to conduct an ongoing assessment of
22 the supportive services required by the residents
23 of the project;

24 “(C) to provide such residential supervision
25 as the Secretary determines is necessary to fa-

1 cilitate the adequate provision of supportive
2 services to the residents of the project; and

3 “(D) to comply with such other terms and
4 conditions as the Secretary or recipient may es-
5 tablish for purposes of carrying out this pro-
6 gram in an effective and efficient manner.

7 “(2) OCCUPANT CHARGE.—Each homeless indi-
8 vidual or family residing in a project assisted under
9 this section that provides supportive housing may be
10 required to pay an occupancy charge in an amount
11 determined by the project sponsor, which may not
12 exceed the amount determined under section 3(a) of
13 the United States Housing Act of 1937. Occupancy
14 charges paid may be reserved, in whole or in part,
15 to assist residents in moving to permanent housing.

16 “(f) SINGLE ROOM OCCUPANCY DWELLINGS.—A
17 project assisted under this section may provide supportive
18 housing or supportive services in dwelling units that do
19 not contain bathrooms or kitchen facilities and are appro-
20 priate for use as supportive housing or in projects contain-
21 ing some or all such dwelling units.

22 **“SEC. 434. SAFE HAVENS FOR HOMELESS INDIVIDUALS.**

23 “(a) ELIGIBLE ACTIVITIES.—A recipient may use
24 grant amounts under this subtitle for—

1 “(1) the construction of a structure for use in
2 providing a safe haven or the acquisition, rehabilita-
3 tion, or acquisition and rehabilitation of an existing
4 structure for use in providing a safe haven;

5 “(2) the leasing of an existing structure for use
6 in providing a safe haven;

7 “(3) operating costs of a safe haven;

8 “(4) costs of administering a safe haven pro-
9 gram, in an amount not exceeding 10 percent of the
10 amounts made available for activities under para-
11 graphs (1) through (3);

12 “(5) conducting outreach activities designed to
13 inform eligible persons about and attract them to a
14 safe haven program;

15 “(6) the provision of low-demand services and
16 referrals for residents of a safe haven; and

17 “(7) conducting other activities that further the
18 purposes of this section, including the modification
19 of an existing facility to use a portion of a facility
20 to provide a safe haven.

21 “(b) DEFINITION.—For purposes of this section, the
22 term ‘safe haven’ means housing for homeless persons
23 who, at the time, are unwilling or unable to participate
24 in mental health treatment programs or to receive other
25 supportive services. Such a facility may provide—

1 “(1) 24-hour residence for eligible persons who
2 may reside for an unspecified duration;

3 “(2) private or semiprivate accommodations;

4 “(3) common use of kitchen facilities, dining
5 rooms, and bathrooms;

6 “(4) supportive services to eligible persons who
7 are not residents on a drop-in basis; and

8 “(5) overnight occupancy limited to no more
9 than 25 persons.

10 **“SEC. 435. SHELTER PLUS CARE.**

11 “(a) ELIGIBLE ACTIVITIES.—A recipient may use
12 grant amounts under this subtitle to provide shelter plus
13 care for homeless persons with disabilities (primarily per-
14 sons who have severe and persistent mental or emotional
15 impairments that seriously limit a person’s ability to live
16 independently, have chronic problems with alcohol, drugs,
17 or both, or have acquired immunodeficiency syndrome and
18 related diseases) and the families of such persons.

19 “(b) DEFINITION.—For purposes of this section, the
20 term ‘shelter plus care’ means rental housing assistance,
21 in connection with supportive services funded from sources
22 other than under this section. Such rental housing assist-
23 ance may be tenant-based, project-based, or sponsor-
24 based.

1 **“SEC. 436. ADMINISTRATIVE AND CAPACITY-BUILDING EX-**
2 **PENSES.**

3 “(a) AVAILABILITY OF GRANT AMOUNTS.—A recipi-
4 ent may use grant amounts under this subtitle for the fol-
5 lowing expenses:

6 “(1) ADMINISTRATIVE EXPENSES.—During—

7 “(A) the first year in which a recipient re-
8 ceives grant amounts under this subtitle, for
9 administrative expenses in connection with
10 planning the development of, and establishing,
11 its program under this subtitle;

12 “(B) subsequent years, to defray the cost
13 of administering the program; and

14 “(C) any year in which a recipient receives
15 grant amounts under this subtitle, to defray the
16 cost of establishing and operating the board re-
17 ferred to in section 411(b).

18 Not more than 5 percent of any amounts provided
19 to a recipient under this subtitle for a fiscal year
20 may be used for activities under this paragraph.

21 “(2) CAPACITY BUILDING FOR NONPROFIT OR-
22 GANIZATIONS.—For building the capacity of private
23 nonprofit organizations to participate in the com-
24 prehensive homeless assistance system of the recipi-
25 ent, except that not more than 2 percent of any
26 amounts provided to a recipient under this subtitle

1 for a fiscal year may be used for activities under this
2 paragraph.

3 “(b) PROVISION OF ADMINISTRATIVE EXPENSES FOR
4 CERTAIN ENTITIES.—

5 “(1) PROVISION OF AMOUNTS.—Any recipient
6 under paragraph (2) shall make available, to defray
7 the administrative expenses of the designee or the
8 State, not more than 5 percent from amounts eligi-
9 ble for this purpose under subsection (a)(1).

10 “(2) RECIPIENTS COVERED.—The recipients
11 under this paragraph shall be—

12 “(A) any allocation unit of general local
13 government, Indian Tribe, or insular area, that
14 designates a public agency or a private non-
15 profit organization under section 410(a)(2);

16 “(B) any State recipient that designates a
17 public agency or a private nonprofit organiza-
18 tion under section 410(b)(3)(A)(ii); and

19 “(C) any State recipient that enters into
20 an agreement under section 410(b)(3)(A)(iii)
21 with a State.

22 **“SEC. 437. INNOVATIVE HOMELESS INITIATIVES.**

23 “(a) ELIGIBLE ACTIVITIES.—A recipient may use
24 grant amounts under this subtitle for—

1 “(1) establishing innovative programs to dem-
2 onstrate methods of undertaking comprehensive
3 strategies for assisting homeless individuals and
4 families (including homeless individuals who have
5 the disease of acquired immunodeficiency syndrome
6 or who are infected with HIV), through cooperative
7 efforts in partnership with other levels of govern-
8 ment and the private sector (including nonprofit or-
9 ganizations, foundations, and communities) and
10 through a variety of activities, including the coordi-
11 nation of efforts and the filling of gaps in available
12 services and resources; and

13 “(2) to obtain technical assistance in establish-
14 ing a program for providing homeless assistance in
15 accordance with the provisions of this subtitle, ex-
16 cept that not more than 10 percent of the amount
17 provided to a recipient under this subtitle for a fiscal
18 year may be used under this paragraph.

19 “(b) REQUIREMENTS.—A recipient may use grant
20 amounts to establish an innovative program under sub-
21 section (a)(1) only if—

22 “(1) the existing public and private systems for
23 homelessness prevention, outreach, assessment, shel-
24 ter, services, transitional services, transitional hous-
25 ing, and permanent housing available within the ju-

1 jurisdiction of the recipient would benefit from addi-
2 tional resources to achieve a comprehensive ap-
3 proach to meeting the needs of individuals and fami-
4 lies who are homeless, or who are very low-income
5 and at risk of homelessness;

6 “(2) the recipient works cooperatively with the
7 Department of Housing and Urban Development,
8 nonprofit organizations, foundations, other private
9 entities, and the community, to the extent feasible,
10 to design and implement the program; and

11 “(3) the recipient obtains a commitment from
12 the jurisdiction to make necessary changes in policy
13 and procedure to provide sufficient flexibility and re-
14 sources as necessary to implement and sustain the
15 program.

16 **“SEC. 438. OTHER APPROVED ACTIVITIES.**

17 “The Secretary, in cooperation with grantees, recipi-
18 ents, and other appropriate parties, shall develop addi-
19 tional activities to carry out the purposes of this subtitle.
20 A recipient may use grants amounts under this subtitle
21 to carry out any such activities developed and approved
22 by the Secretary.

1 **“Subtitle B—Other Permanent Housing**
2 **Assistance Programs for the Homeless”.**

3 **SEC. 312. REGULATIONS AND TRANSITION PROVISIONS.**

4 (a) IN GENERAL.—Not later than April 1, 1995, the
5 Secretary of Housing and Urban Development (in this sec-
6 tion referred to as the “Secretary”) shall publish final reg-
7 ulations to implement the amendments made by this sub-
8 title. The final rule shall be published after notice and op-
9 portunity for public comment in accordance with section
10 553 of title 5, United States Code.

11 (b) TRANSITION PROVISIONS.—

12 (1) EMERGENCY SHELTER GRANTS PROGRAM.—

13 Notwithstanding any other provision of law, during
14 fiscal year 1995, the Secretary shall allocate grants
15 from amounts available for such year under subtitle
16 A of title IV of the Stewart B. McKinney Homeless
17 Assistance Act (as amended by this Act) in accord-
18 ance with the provisions of subtitle B of title IV of
19 the Stewart B. McKinney Homeless Assistance Act
20 (Emergency Shelter Grants), as such provisions ex-
21 isted immediately before the enactment of this Act.

22 (2) FAILURE TO PUBLISH REGULATIONS.—

23 (A) IN GENERAL.—If the Secretary fails to
24 publish final regulations as provided by sub-
25 section (a), the Secretary shall distribute the

1 amounts available for fiscal year 1995 under
2 subtitle A of title IV of the Stewart B. McKin-
3 ney Homeless Assistance Act (as amended by
4 this Act) (excluding amounts allocated under
5 paragraph (1)) in accordance with the following
6 provisions of title IV of the Stewart B. McKin-
7 ney Homeless Assistance Act, as such provi-
8 sions existed immediately before the enactment
9 of this Act:

10 (i) Subtitle C (Supportive Housing).

11 (ii) Subtitle D (Safe Havens).

12 (iii) Subtitle F (Shelter Plus Care).

13 (B) PROCEDURE.—For purposes of award-
14 ing assistance under this paragraph, the Sec-
15 retary may, as appropriate—

16 (i) provide for use of a single applica-
17 tion; and

18 (ii) publish a single notice of funding
19 availability.

20 (3) MINIMUM AMOUNTS.—The Secretary shall
21 determine the amount to be allocated for each of the
22 programs referred to in this subsection, but the
23 amount so allocated for each such program shall not
24 be less than the amount appropriated for the pro-
25 gram for fiscal year 1994.

1 (c) TECHNICAL ASSISTANCE.—Of any amounts ap-
2 propriated to carry out section 2 of the HUD Demonstra-
3 tion Act of 1993 in fiscal year 1995, the Secretary may
4 use not more than 10 percent for providing technical as-
5 sistance to assist recipients under subtitle A of title IV
6 of the Stewart B. McKinney Homeless Assistance Act (as
7 amended by this subtitle) to establish a program for pro-
8 viding homeless assistance in accordance with the provi-
9 sions of such subtitle A.

10 **SEC. 313. REPORT ON SINGLE ROOM OCCUPANCY ASSIST-**
11 **ANCE.**

12 Not later than July 1, 1995, the Secretary shall sub-
13 mit a report to the Congress evaluating the effectiveness
14 of combining the programs for assistance for single room
15 occupancy dwellings under sections 451 and 452 of the
16 Stewart B. McKinney Homeless Assistance Act (as so re-
17 designated and amended by this Act) into the program
18 for assistance under subtitle A of title IV of such Act and,
19 if effective, describing how to provide such assistance
20 under the program under such subtitle A.

1 **Subtitle B—Other Housing Assistance Pro-**
2 **grams for the Homeless Under McKinney**
3 **Act**

4 **SEC. 321. SECTION 8 ASSISTANCE FOR SINGLE ROOM OCCU-**
5 **PANCY DWELLINGS.**

6 Section 451 of the Stewart B. McKinney Homeless
7 Assistance Act (42 U.S.C. 11401(a)), as so redesignated
8 by section 311(3) of this Act, is amended—

9 (1) in the second sentence of subsection (c), in
10 the matter preceding paragraph (1), by striking
11 “containing” and inserting the following: “for the
12 provision of assistance under this section that is spe-
13 cifically provided for in the comprehensive homeless
14 assistance described in the application under section
15 408 of the relevant eligible grantee and that con-
16 tains”; and

17 (2) in subsection (j)(1), by inserting “recipient
18 under subtitle A,” after “authority,”.

19 **SEC. 322. SECTION 8 ASSISTANCE FOR SHELTER PLUS CARE**
20 **SINGLE ROOM OCCUPANCY DWELLINGS.**

21 Title IV of the Stewart B. McKinney Homeless As-
22 sistance Act (42 U.S.C. 11361 et seq.) is amended by in-
23 serting after section 451, as so redesignated by section
24 311(3) of this Act, the following new section:

1 **“SEC. 452. SECTION 8 ASSISTANCE FOR SHELTER PLUS**
2 **CARE SINGLE ROOM OCCUPANCY DWELL-**
3 **INGS.**

4 “(a) PURPOSE.—The purpose of the program under
5 this section is to provide assistance for the moderate reha-
6 bilitation of single room occupancy housing to be made
7 available for rental, in connection with supportive services
8 funded from sources other than this section, to homeless
9 persons with disabilities (primarily persons who are seri-
10 ously mentally ill, have chronic problems with alcohol,
11 drugs, or both, or have acquired immunodeficiency syn-
12 drome and related diseases) and the families of such
13 persons.

14 “(b) MODERATE REHABILITATION ASSISTANCE.—
15 The Secretary may use amounts made available to carry
16 out this section for moderate rehabilitation of single room
17 occupancy housing described in section 8(l) of the United
18 States Housing Act of 1937 for occupancy by eligible per-
19 sons in accordance with this section. Such amounts may
20 be used in connection with the moderate rehabilitation of
21 efficiency units if the building owner agrees to pay the
22 additional cost of rehabilitating and operating the effi-
23 ciency units.

24 “(c) FUNDING LIMITATIONS.—

25 “(1) TARGETED POPULATIONS.—To the maxi-
26 mum extent practicable, the Secretary shall reserve

1 not less than 50 percent of all amounts made avail-
2 able to carry out this section for homeless individ-
3 uals who are seriously mentally ill or have chronic
4 problems with alcohol, drugs, or both.

5 “(2) GEOGRAPHICAL LIMITATION.—Of the as-
6 sistance made available under this section for any
7 fiscal year, not more than 10 percent may be used
8 for programs located within any one unit of general
9 local government.

10 “(d) SUPPORTIVE SERVICES REQUIREMENTS.—

11 “(1) REQUIREMENT OF MATCHING AMOUNTS.—
12 Each recipient of assistance under this section shall
13 supplement the assistance provided under this sec-
14 tion with an equal amount of funds for supportive
15 services from sources other than this section. Each
16 recipient shall certify to the Secretary its compliance
17 with this paragraph, and shall include with the cer-
18 tification a description of the sources and amounts
19 of such supplemental funds.

20 “(2) DETERMINATION OF MATCHING
21 AMOUNTS.—In calculating the amount of supple-
22 mental funds provided under this section, a recipient
23 may include the value of any lease on a building, any
24 salary paid to staff to carry out the program of the
25 recipient, and the value of the time and services con-

1 tributed by volunteers to carry out the program of
2 the recipient at a rate determined by the Secretary.

3 “(3) RECAPTURE.—If the supportive services
4 and funding for the supportive services required by
5 this subsection are not provided by a recipient, the
6 Secretary may recapture any unexpended housing
7 assistance provided under this section to the recipi-
8 ent.

9 “(e) CONTRACT REQUIREMENTS.—Each contract for
10 annual contributions entered into by the Secretary with
11 a public housing agency to obligate budget authority made
12 available to carry out this section shall—

13 “(1) commit the Secretary to make the author-
14 ity available to the public housing agency for an ag-
15 gregate period of 10 years, and require that any
16 amendments increasing the authority shall be avail-
17 able for the remainder of such 10-year period;

18 “(2) provide the Secretary with the option to
19 renew the contract for an additional period of 10
20 years, subject to the availability of authority;

21 “(3) provide that, notwithstanding any other
22 provision of law, first priority for occupancy of hous-
23 ing rehabilitated under this section shall be given to
24 homeless persons; and

1 “(4) require installation in the housing assisted
2 of a sprinkler system that protects all major spaces,
3 hard-wired smoke detectors, and any other fire safe-
4 ty improvements as may be required by State or
5 local law.

6 For purposes of this subsection, the term ‘major spaces’
7 means hallways, large common areas, and other areas
8 specified in local fire, building, or safety codes.

9 “(f) APPLICATIONS.—

10 “(1) IN GENERAL.—An application for rental
11 housing assistance under this section shall be sub-
12 mitted by an applicant in such form and in accord-
13 ance with such procedures as the Secretary shall es-
14 tablish.

15 “(2) MINIMUM CONTENTS.—The Secretary
16 shall require that an application identify the need
17 for the assistance in the community to be served and
18 shall contain at a minimum—

19 “(A) a request for housing assistance
20 under this section specifying the number of
21 units requested and the amount of necessary
22 budget authority;

23 “(B) a description of the size and charac-
24 teristics of the population of eligible persons;

1 “(C) an identification of the need for the
2 program in the community to be served;

3 “(D) the identity of the proposed service
4 provider or providers (which may be, or include,
5 the applicant) and a statement of the qualifica-
6 tions of the provider or providers;

7 “(E) a description of the supportive serv-
8 ices that the applicant proposes to assure will
9 be available for eligible persons;

10 “(F) a description of the resources that
11 are expected to be made available to provide the
12 supportive services required by subsection (d);

13 “(G) a description of the mechanisms for
14 developing a housing and supportive services
15 plan for each person and for monitoring each
16 person’s progress in meeting that plan;

17 “(H) reasonable assurances satisfactory to
18 the Secretary that the supportive services will
19 be provided for the full term of the housing as-
20 sistance under this section and a certification
21 from the applicant that it will fund the support-
22 ive services itself if the planned resources do
23 not become available for any reason;

24 “(I) a certification by the public official re-
25 sponsible for submitting the comprehensive

1 housing affordability strategy under section 105
2 of the Cranston-Gonzalez National Affordable
3 Housing Act that the proposed activities are
4 consistent with the approved housing strategy
5 of the unit of general local government within
6 which housing assistance under this section will
7 be provided; and

8 “(J) identification of the specific struc-
9 tures that the recipient is proposing for assist-
10 ance.

11 “(g) SELECTION CRITERIA.—The Secretary shall es-
12 tablish selection criteria for a national competition for as-
13 sistance under this section which shall include—

14 “(1) the ability of the applicant to develop and
15 operate the proposed assisted housing and support-
16 ive services program, taking into account the quality
17 of any ongoing program of the applicant;

18 “(2) geographic diversity among the projects to
19 be assisted;

20 “(3) the need for a program providing housing
21 assistance and supportive services for eligible per-
22 sons in the area to be served;

23 “(4) the quality of the proposed program for
24 providing supportive services and housing assistance;

1 “(5) the extent to which the proposed funding
2 for the supportive services is or will be available;

3 “(6) the extent to which the project would meet
4 the needs of the homeless persons proposed to be
5 served by the program;

6 “(7) the extent to which the program integrates
7 program recipients into the community served by the
8 program;

9 “(8) the cost-effectiveness of the proposed pro-
10 gram; and

11 “(9) such other factors as the Secretary speci-
12 fies in regulations to be appropriate for purposes of
13 carrying out the program established by this section
14 in an effective and efficient manner.

15 “(h) PARTICIPATION OF HOMELESS INDIVIDUALS.—
16 The Secretary shall, by regulation, require each recipient
17 of assistance under this section to provide for the consulta-
18 tion and participation of not less than one homeless indi-
19 vidual or former homeless individual on the board of direc-
20 tors or other equivalent policymaking entity of the recipi-
21 ent, to the extent that such entity considers and makes
22 policies and decisions regarding any housing assisted
23 under this section or services for such housing. The Sec-
24 retary may grant waivers to recipients unable to meet the
25 requirement under the preceding sentence if the recipient

1 agrees to otherwise consult with homeless or formerly
2 homeless individuals in considering and making such poli-
3 cies and decisions.

4 “(i) REQUIRED AGREEMENTS.—The Secretary may
5 not approve assistance under this section for an applicant
6 unless the applicant agrees—

7 “(1) to operate the proposed program in ac-
8 cordance with the provisions of this section;

9 “(2) to conduct an ongoing assessment of the
10 housing assistance and supportive services required
11 by the participants in the program;

12 “(3) to ensure the adequate provision of sup-
13 portive services to the participants in the program;

14 “(4) to comply with such other terms and con-
15 ditions as the Secretary may establish for purposes
16 of carrying out the program in an effective and effi-
17 cient manner; and

18 “(5) to the maximum extent practicable, to in-
19 volve homeless individuals and families, through em-
20 ployment volunteer services, or otherwise, in con-
21 structing or rehabilitating housing assisted under
22 this section and in providing services required under
23 this section.

24 “(j) HOUSING STANDARDS AND RENT REASONABLE-
25 NESS.—

1 “(1) STANDARDS REQUIRED.—The Secretary
2 shall require that—

3 “(A) before any assistance may be pro-
4 vided to or on behalf of a person, each unit as-
5 sisted under this section shall be inspected by
6 the applicant directly or by another entity, in-
7 cluding the local public housing agency, to de-
8 termine that the unit meets the housing quality
9 standards under section 8 of the United States
10 Housing Act of 1937 and that the occupancy
11 charge for the dwelling unit is reasonable; and

12 “(B) the recipient shall make at least an-
13 nual inspections of each unit assisted under this
14 section during the term of the contract for such
15 assistance.

16 “(2) PROHIBITION.—No assistance may be pro-
17 vided under this section for a dwelling unit (A) for
18 which the occupancy charge is not reasonable, or (B)
19 which fails to meet the housing standards, unless the
20 owner promptly corrects the deficiency and the re-
21 cipient verifies the correction.

22 “(k) TENANT RENT.—Each tenant of a dwelling unit
23 assisted under this section shall pay as rent an amount
24 determined in accordance with the provisions of section
25 3(a)(1) of the United States Housing Act of 1937.

1 “(l) ADMINISTRATIVE FEES.—From amounts made
2 available to carry out this section, the Secretary shall
3 make amounts available to pay the entity administering
4 the housing assistance an administrative fee in an amount
5 determined appropriate by the Secretary for the costs of
6 administering the housing assistance.

7 “(m) OCCUPANCY.—

8 “(1) OCCUPANCY AGREEMENT.—The occupancy
9 agreement between a tenant and an owner of a
10 dwelling unit assisted under this section shall be for
11 at least 1 month.

12 “(2) VACANCY PAYMENTS.—If an eligible per-
13 son vacates a dwelling unit assisted under this sec-
14 tion before the expiration of the occupancy agree-
15 ment, no assistance payment may be made with re-
16 spect to the unit after the month that follows the
17 month during which the unit was vacated, unless it
18 is occupied by another eligible person.

19 “(n) TERMINATION OF ASSISTANCE.—

20 “(1) AUTHORITY.—If an eligible individual who
21 receives assistance under this section violates pro-
22 gram requirements, the recipient may terminate as-
23 sistance in accordance with the process established
24 pursuant to paragraph (2).

1 “(2) PROCEDURE.—In terminating assistance
2 under this paragraph, the recipient shall provide a
3 formal process that recognizes the rights of individ-
4 uals receiving such assistance to due process of law.

5 “(o) DEFINITIONS.—For purposes of this section, the
6 following definitions shall apply:

7 “(1) The term ‘acquired immunodeficiency syn-
8 drome and related diseases’ has the meaning given
9 such term in section 853 of the Cranston-Gonzalez
10 National Affordable Housing Act.

11 “(2) The term ‘applicant’ means a State, unit
12 of general local government, Indian tribe, or public
13 housing agency.

14 “(3) The term ‘eligible person’ means a home-
15 less person with disabilities (primarily persons who
16 are seriously mentally ill, have chronic problems with
17 alcohol, drugs, or both, or have acquired
18 immunodeficiency syndrome and related diseases)
19 and the family of such a person.

20 “(4) The term ‘Indian tribe’ has the meaning
21 given such term in section 102 of the Housing and
22 Community Development Act of 1974.

23 “(5) The term ‘nonprofit organization’ has the
24 meaning given such term by section 104 of the
25 Cranston-Gonzalez National Affordable Housing

1 Act, and includes community mental health centers
2 established as public nonprofit organizations.

3 “(6) The term ‘person with disabilities’ has the
4 meaning given such term in section 811 of the Cran-
5 ston-Gonzalez National Affordable Housing Act.

6 “(7) The term ‘public housing agency’ has the
7 meaning given such term in section 3(b) of the Unit-
8 ed States Housing Act of 1937.

9 “(8) The term ‘recipient’ means an applicant
10 approved for participation in the program to provide
11 assistance under this section.

12 “(9) The term ‘Secretary’ means the Secretary
13 of Housing and Urban Development.

14 “(10) The term ‘seriously mentally ill’ means
15 having a severe and persistent mental or emotional
16 impairment that seriously limits a person’s ability to
17 live independently.

18 “(11) The term ‘State’ means each of the sev-
19 eral States, the District of Columbia, the Common-
20 wealth of Puerto Rico, the Commonwealth of the
21 Northern Mariana Islands, the Virgin Islands,
22 Guam, American Samoa, and any other territory or
23 possession of the United States.

24 “(12) The term ‘supportive services’ means as-
25 sistance that the Secretary determines (A) addresses

1 the special needs of eligible persons; and (B) pro-
2 vides appropriate services or assists such persons in
3 obtaining appropriate services, including health care,
4 mental health services, substance and alcohol abuse
5 services, child care services, case management serv-
6 ices, counseling, supervision, education, job training,
7 and other services essential for achieving and main-
8 taining independent living. Inpatient acute hospital
9 care shall not qualify as a supportive service.

10 “(13) The term ‘unit of general local govern-
11 ment’ has the meaning given such term in section
12 102 of the Housing and Community Development
13 Act of 1974.

14 “(p) AUTHORIZATION OF APPROPRIATIONS.—For
15 purposes of providing assistance under this section, there
16 are authorized to be appropriated \$75,000,000 for fiscal
17 year 1995 and \$75,000,000 for fiscal year 1996.”.

18 **SEC. 323. RURAL HOMELESSNESS GRANT PROGRAM.**

19 Section 453 of the Stewart B. McKinney Homeless
20 Assistance Act, as so redesignated by section 311(3) of
21 this Act, is amended—

22 (1) in subsection (a), by striking “Secretary of
23 Housing and Urban Development” and inserting
24 “Secretary of Agriculture”; and

6 The table of contents in section 101(b) of the Stewart
7 B. McKinney Homeless Assistance Act is amended by
8 striking the items relating to title IV and inserting the
9 following new items:

“CHAPTER 1—GENERAL PROVISIONS

- ## “CHAPTER 2—ELIGIBLE ACTIVITIES

- “Subtitle B—Other Permanent Housing Assistance Programs for the Homeless

3 SEC. 331. STRATEGY TO ELIMINATE UNFIT TRANSIENT FA-
4 CILITIES.

8 (1) in paragraph (2), by striking “and” at the
9 end;

12 (3) by adding at the end the following new
13 paragraph:

“(4) that States and units of general local government shall eliminate the use of unfit transient facilities as housing for homeless families with children not later than July 1, 1997, in the manner provided under the strategy.”.

TITLE IV—RURAL HOUSING**SEC. 401. PROGRAM AUTHORIZATIONS.**

(a) INSURANCE AND GUARANTEE AUTHORITY.—Section 513(a) of the Housing Act of 1949 (42 U.S.C. 1483(a)) is amended to read as follows:

“(a) INSURANCE AND GUARANTEE AUTHORITY.—

“(1) IN GENERAL.—The Secretary may, to the extent approved in appropriation Acts, insure and guarantee loans under this title during fiscal years 1995 and 1996, in aggregate amounts not to exceed \$3,231,103,950 and \$3,360,037,069, respectively, as follows:

“(A) For insured or guaranteed loans under section 502 on behalf of low-income borrowers receiving assistance under section 521(a)(1), \$1,802,500,000 for fiscal year 1995 and \$1,856,575,000 for fiscal year 1996.

“(B) For guaranteed loans under section 502(h) on behalf of low- and moderate-income borrowers, \$772,500,000 for fiscal year 1995 and \$795,675,000 for fiscal year 1996.

“(C) For loans under section 504, \$36,050,000 for fiscal year 1995 and \$37,131,500 for fiscal year 1996.

1 “(D) For insured loans under section 514,
2 \$18,053,950 for fiscal year 1995 and
3 \$18,595,569 for fiscal year 1996.

4 “(E) For insured loans under section 515,
5 \$600,000,000 for fiscal year 1995 and
6 \$650,000,000 for fiscal year 1996.

7 “(F) For loans under section
8 523(b)(1)(B), \$1,000,000 for fiscal year 1995
9 and \$1,030,000 for fiscal year 1996.

10 “(G) For site loans under section 524,
11 \$1,000,000 for fiscal year 1995 and \$1,030,000
12 for fiscal year 1996.

13 “(2) LIMITATION ON USE.—Notwithstanding
14 any other provision of law, insured or guaranteed
15 loan authority in this title for any fiscal year shall
16 not be transferred or used for any purpose not speci-
17 fied in this title.”.

18 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
19 513(b) of the Housing Act of 1949 (42 U.S.C. 1483(b))
20 is amended to read as follows:

21 “(b) AUTHORIZATION OF APPROPRIATIONS.—There
22 are authorized to be appropriated for fiscal years 1995
23 and 1996, and to remain available until expended, the fol-
24 lowing amounts:

1 “(1) For grants under section 502(c)(5)(C)(i),
2 \$10,000,000 for fiscal year 1995, and \$10,000,000
3 for fiscal year 1996.

4 “(2) For grants under section 504,
5 \$31,000,000 for fiscal year 1995 and \$31,930,000
6 for fiscal year 1996.

7 “(3) For purposes of section 509(c),
8 \$1,000,000 for fiscal year 1995 and \$1,030,000 for
9 fiscal year 1996.

10 “(4) For project preparation grants under sec-
11 tion 509(f)(6), \$5,688,278 for fiscal year 1995 and
12 \$5,858,926 for fiscal year 1996.

13 “(5) In fiscal years 1995 and 1996, such sums
14 as may be necessary to meet payments on notes or
15 other obligations issued by the Secretary under sec-
16 tion 511 equal to—

17 “(A) the aggregate of the contributions
18 made by the Secretary in the form of credits on
19 principal due on loans made pursuant to section
20 503; and

21 “(B) the interest due on a similar sum
22 represented by notes or other obligations issued
23 by the Secretary.

1 “(6) For grants for service coordinators under
2 section 515(y), \$1,073,260 for fiscal year 1995 and
3 \$1,105,458 for fiscal year 1996.

4 “(7) For financial assistance under section
5 516—

6 “(A) for low-rent housing and related fa-
7 cilities for domestic farm labor under sub-
8 sections (a) through (j) of such section,
9 \$15,000,000 for fiscal year 1995 and
10 \$18,000,000 for fiscal year 1996; and

11 “(B) for housing for rural homeless and
12 migrant farmworkers under subsection (k) of
13 such section, \$10,269,230 for fiscal year 1995
14 and \$11,407,307 for fiscal year 1996.

15 “(8) For grants under section 523(f),
16 \$14,918,314 for fiscal year 1995 and \$15,365,863
17 for fiscal year 1996.

18 “(9) For grants under section 533,
19 \$33,056,408 for fiscal year 1993 and \$34,048,100
20 for fiscal year 1994.”.

21 (c) RENTAL ASSISTANCE PAYMENT CONTRACTS.—
22 Section 513(c) of the Housing Act of 1949 (42 U.S.C.
23 1483(c)(1)) is amended by striking “(c)” and all that fol-
24 lows through the end of paragraph (1) and inserting the
25 following:

1 “(c) RENTAL AND OPERATING ASSISTANCE.—(1)
2 The Secretary, to the extent approved in appropriations
3 Acts for fiscal years 1995 and 1996, may enter into rental
4 assistance payment contracts under section 521(a)(2)(A)
5 and contracts for operating assistance under section
6 521(a)(5), aggregating \$454,079,620 for fiscal year 1995
7 and \$467,702,009 for fiscal year 1996.”.

8 (d) SUPPLEMENTAL RENTAL ASSISTANCE PAYMENT
9 CONTRACTS.—Section 513(d) of the Housing Act of 1949
10 (42 U.S.C. 1483(d)) is amended to read as follows:

11 “(d) SUPPLEMENTAL RENTAL ASSISTANCE CON-
12 TRACTS.—The Secretary, to the extent approved in appro-
13 priations Acts for fiscal years 1995 and 1996, may enter
14 into 5-year supplemental rental assistance contracts under
15 section 502(c)(5)(D) aggregating \$13,070,160 for fiscal
16 year 1995 and \$13,462,265 for fiscal year 1996.”.

17 (e) RURAL HOUSING VOUCHER AUTHORITY.—Sec-
18 tion 513(e) of the Housing Act of 1949 (42 U.S.C.
19 1483(e)) is amended to read as follows:

20 “(e) RURAL HOUSING VOUCHERS.—There are au-
21 thorized to be appropriated for rural housing vouchers
22 under section 542, \$30,000,000 for fiscal year 1995 and
23 \$40,000,000 for fiscal year 1996.”.

1 (f) RENTAL HOUSING LOAN AUTHORITY.—Section
2 515(b) of the Housing Act of 1949 (42 U.S.C. 1485(b))
3 is amended—

4 (1) by striking paragraph (4); and

5 (2) by redesignating paragraphs (5) and (6) as
6 paragraphs (4) and (5), respectively.

7 **SEC. 402. ELIGIBILITY OF NATIVE AMERICANS FOR RURAL**
8 **HOUSING PROGRAMS.**

9 Section 501(b)(6) of the Housing Act of 1949 (42
10 U.S.C. 1471(b)(6)) is amended by adding at the end the
11 following new sentence: “In any case in which assistance
12 made available under this title may be provided to a State
13 or State agency or in which a State or State agency is
14 eligible to participate in a program or activity under this
15 title, such assistance may also be provided to Indian tribes
16 and tribal agencies and Indian tribes and tribal agencies
17 shall be eligible to participate, respectively.”.

18 **SEC. 403. ESCROW FUND.**

19 Section 501(e) of the Housing Act of 1949 (42
20 U.S.C. 1471(e)) is amended by striking the third and
21 fourth sentences and inserting the following: “The Sec-
22 retary may establish in the Treasury of the United States
23 an escrow fund for the deposit of such periodic payments.
24 The Secretary may direct the Secretary of the Treasury
25 to invest and reinvest amounts in the escrow fund in pub-

1 lic debt securities with maturities suitable for the needs
2 of the escrow fund and bearing interest at rates deter-
3 mined by the Secretary of the Treasury, taking into con-
4 sideration the current average market yield on outstand-
5 ing marketable obligations of the United States of com-
6 parable maturities. Any interest earned shall be credited
7 to the escrow fund. The Secretary shall disburse amounts
8 at the appropriate time or times for the purposes for which
9 the amounts were escrowed in the fund. The Secretary
10 shall pay a uniform rate of interest on escrowed amounts.
11 The interest rate to be paid on such amounts shall be de-
12 termined by the Secretary based on the interest earned
13 less an amount not to exceed 1 percent to be used to offset
14 expenses in carrying out the provisions of this title.”.

15 **SEC. 404. SECTION 502 HOMEOWNERSHIP LOANS.**

16 (a) REMOTE RURAL AREAS.—Section 502(f) of the
17 Housing Act of 1949 (42 U.S.C. 1472(f)) is amended—

18 (1) by striking paragraph (1);

19 (2) by redesignating paragraph (2) as para-
20 graph (1); and

21 (3) by adding at the end the following new
22 paragraph:

23 “(2) SECURITY.—In making a loan under this
24 section for housing located in a rural area that is a
25 remote rural area (which shall include tribal allotted

1 or Indian trust land) where the borrower resides or
2 is employed, the Secretary shall consider the actual
3 replacement cost of the property and structure for
4 which the loan is made as adequate security for the
5 loan required under subsection (b).”.

6 (b) PERMANENT DEFERRED MORTGAGE PRO-
7 GRAM.—Section 502(g) of the Housing Act of 1949 (42
8 U.S.C. 1472(g)) is amended to read as follows:

9 “(g) DEFERRED MORTGAGE PROGRAM.—With re-
10 spect to families or persons otherwise eligible for assist-
11 ance under subsection (d) but having incomes below the
12 amount determined to qualify for a loan under this sec-
13 tion, the Secretary may defer mortgage payments beyond
14 the amount affordable at 1 percent interest, taking into
15 consideration income, taxes and insurance. Deferred
16 amounts shall not exceed 25 percent of the amount of the
17 payment due at 1 percent interest and shall be subject
18 to recapture.”.

19 (c) REAMORTIZATION.—Section 505 of the Housing
20 Act of 1949 (42 U.S.C. 1475) is amended—

21 (1) in the section heading, by inserting “,
22 REAMORTIZATION,” after “MORATORIUM”;

23 (2) in subsection (a), by inserting before the
24 last sentence the following: “The Secretary may not
25 foreclose such a mortgage securing such a loan upon

1 which a moratorium has been granted solely because
2 the borrower does not have the ability to repay the
3 loan. Upon the expiration of a moratorium, the Sec-
4 retary shall, subject to the availability of amounts
5 for assistance under this title, enter into an agree-
6 ment with the borrower providing to the borrower
7 such assistance as the Secretary is authorized to
8 provide under this title and may foreclose with re-
9 spect to the loan only if the borrower fails to make
10 3 monthly payments required under such agree-
11 ment.”;

12 (3) by redesignating subsection (b) as sub-
13 section (c); and

14 (4) by inserting after subsection (a) the follow-
15 ing new subsection:

16 “(b) REAMORTIZATION.—

17 “(1) AUTHORITY.—With respect to a loan made
18 under section 502, after a moratorium under sub-
19 section (a) of this section for the loan or at any
20 other time the Secretary considers appropriate, the
21 Secretary may reamortize the outstanding indebted-
22 ness, including principal and interest, under the loan
23 for a period not to exceed 38 years from the date
24 of the making of the loan, subject to the provisions
25 of paragraph (2). The authority of the Secretary

1 under this subsection to modify loans shall be effective for any fiscal year only to such extent or in such amounts as are or have been provided for such costs in appropriation Acts for such fiscal year.

5 “(2) GRADUATED REPAYMENT AGREEMENT.—

6 In reamortizing a loan pursuant to paragraph (1),
7 the Secretary may lower the interest rate to the existing lending rate for loans under section 502 or establish a schedule of payments under the loan that provides, after the application of interest credit, for payments in an amount less than the amount of the payments originally provided for under the loan agreement for a period not exceeding that required to amortize the loan over its term, except that such period may not exceed 3 years.”.

16 (d) ELIGIBILITY OF AREA.—Section 502 of the
17 Housing Act of 1949 (42 U.S.C. 1472) is amended by
18 adding at the end the following new subsection:

19 “(i) Notwithstanding section 520, the Secretary may
20 make loans under this section for properties in the Pine
21 View West Subdivision, located in Gibsonville, North Carolina, in the same manner as provided under this section
22 for properties in rural areas.”.

1 **SEC. 405. LOAN GUARANTEES.**

2 Section 502(h)(11) of the Housing Act of 1949 (42
3 U.S.C. 1472(h)(11)) is amended by adding at the end the
4 following new sentence: “The Secretary may not pool or
5 reallocate any authority to guarantee loans under this sec-
6 tion that was allocated for use in any State before August
7 1 of the fiscal year in which such authority was allo-
8 cated.”.

9 **SEC. 406. PREPAYMENT OF RURAL RENTAL HOUSING**
10 **LOANS.**

11 (a) EQUITY TAKEOUT LOANS.—

12 (1) AUTHORITY AND LIMITATION.—Section
13 502(c)(4)(B)(iv) of the Housing Act of 1949 (42
14 U.S.C. 1472(c)(4)(B)(iv)) is amended by inserting
15 before the period at the end the following: “or under
16 paragraphs (1) and (2) of section 514(j), except that
17 an equity loan referred to in this clause may not be
18 made available after the date of the enactment of
19 the Housing and Community Development Act of
20 1994 unless the Secretary determines that the other
21 incentives available under this subparagraph are not
22 adequate to provide a fair return on the investment
23 of the borrower, to prevent prepayment of the loan
24 insured under section 514 or 515, or to prevent the
25 displacement of tenants of the housing for which the
26 loan was made”.

1 (2) APPROVAL OF ASSISTANCE.—Subparagraph
2 (C) of section 502(c)(4) of the Housing Act of 1949
3 is amended by striking the matter preceding clause
4 (i) and inserting the following:

5 “(C) APPROVAL OF ASSISTANCE.—The Secretary
6 may approve assistance under subparagraph (B) for as-
7 sisted housing only if the restrictive period has expired for
8 any loan for the housing made or insured under section
9 514 or 515 pursuant to a contract entered into after De-
10 cember 21, 1979, but before the date of the enactment
11 of the Department of Housing and Urban Development
12 Reform Act of 1989, and the Secretary determines that
13 the combination of assistance provided—”.

14 (3) LOAN TERMS.—Section 514 of the Housing
15 Act of 1949 (42 U.S.C. 1484) is amended by adding
16 at the end the following new subsection:

17 “(j) EQUITY TAKEOUT LOANS FOR PRESERVATION
18 OF LOW-INCOME HOUSING.—With respect to a loan in-
19 sured under subsection (a), the Secretary may—

20 “(1) make or insure an equity loan in the form
21 of a supplemental loan for the purpose of equity
22 takeout to the owner of housing financed with a loan
23 insured under this section pursuant to a contract en-
24 tered into before December 15, 1989, for the pur-
25 pose of extending the affordability of the housing for

1 low-income families or persons and very low-income
2 families or persons for not less than 20 years, except
3 that such loan may not exceed 90 percent of the
4 value of the equity in the project as determined by
5 the Secretary;

6 “(2) transfer and reamortize an existing loan in
7 connection with assistance provided under paragraph
8 (1); and

9 “(3) make or insure a loan to enable a non-
10 profit organization or public agency to make a pur-
11 chase described in section 502(c)(5).”.

12 (4) TECHNICAL CORRECTION RELATING TO
13 SECTION 515 HOUSING.—Section 515(c)(1) of the
14 Housing Act of 1949 (42 U.S.C. 1485(c)(1)) is
15 amended by striking “December 21, 1979” and in-
16 serting “December 15, 1989”.

17 (b) PHASE-IN OF RENT INCREASES.—Section
18 502(c)(4)(B)(vi) of the Housing Act of 1949 (42 U.S.C.
19 1472(c)(4)(B)(vi)) is amended by inserting before the pe-
20 riod at the end the following: “, except that any such in-
21 crease in rents for current tenants (except for increases
22 made necessary by increases in operating costs) shall (I)
23 be phased in equally over a period of not less than 3 years,
24 if such increase is 30 percent or more, and (II) be limited

1 to not more than 10 percent per year if such increase is
2 more than 10 percent but less than 30 percent”.

3 (c) TREATMENT OF ACCELERATION UPON DE-
4 FAULT.—Section 502 of the Housing Act of 1949 (42
5 U.S.C. 1472) is amended—

6 (1) in subsection (b)(2), by inserting “or any
7 payment in the case of acceleration of the amount
8 due under such a loan pursuant to any default,”
9 after “515”; and

10 (2) in subsection (c)—

11 (A) in paragraph (1)(A), by inserting be-
12 fore the 1st comma the following: “, accept any
13 payment tendered in the case of acceleration of
14 the amount due pursuant to any default on”;

15 (B) in paragraph (1)(B), by inserting be-
16 fore the 1st comma the following: “, accept any
17 payment tendered in the case of acceleration of
18 the amount due pursuant to any default on”;

19 (C) in paragraph (2)—

20 (i) by inserting after “prepaid” the
21 following: “, paid in full pursuant to accel-
22 eration of the amount due resulting from
23 default,”; and

24 (ii) by inserting “, payment,” after
25 “prepayment”;

1 (D) in paragraph (4)(A), by inserting after
2 “prepay,” the following: “accepting any pay-
3 ment tendered in the case of acceleration of the
4 amount due pursuant to any default on,”; and

5 (E) in paragraph (5)—

6 (i) in subparagraph (A)(ii), by insert-
7 ing after “prepay,” the following: “accept
8 the payment tendered in the case of accel-
9 eration of the amount due pursuant to de-
10 fault on,”;

11 (ii) in the 1st sentence of subpara-
12 graph (F), by inserting after “prepay,” the
13 following: “accept payment tendered in the
14 case of acceleration of the amount due pur-
15 suant to default on,”;

16 (iii) in the 2d sentence of subpara-
17 graph (F), by inserting after “prepay,” the
18 following: “payment tendered in the case
19 of acceleration of the amount due pursuant
20 to default,”;

21 (iv) in the last sentence of subpara-
22 graph (F), by striking “offers to prepay,”
23 and inserting the following: “such offers to
24 prepay, payments in the case of accelera-

tion of the amount due pursuant to default,”; and

(v) in the matter in subparagraph (G) that precedes clause (i), by inserting after “prepay,” the following: “any payment tendered in the case of acceleration of the amount due pursuant to default on,”.

(d) TEST FOR ALLOWABLE PREPAYMENT.—Section 502(c)(5)(G)(ii) of the Housing Act of 1949 (42 U.S.C. 1472(c)(5)(G)(ii)) is amended to read as follows:

“(ii) the Secretary makes a written finding that—

“(I) prepayment, payment in the case of acceleration, or refinancing will not (a) materially increase economic hardship for current tenants, and (b) involuntarily displace current tenants (except for good cause), where comparable and affordable housing is not readily available at the time of displacement, determined without regard to the availability of Federal housing assistance that would address any such hardship or involuntary displacement; and

“(II) the supply of vacant, comparable housing is sufficient to ensure that such prepayment will not materially affect (a) the avail-

1 ability of decent, safe, and sanitary housing af-
2 fordable to low-income and very low-income
3 families or persons in the area that the housing
4 could reasonably be expected to serve, (b) the
5 ability of low-income and very low-income fami-
6 lies or persons to find affordable, decent, safe,
7 and sanitary housing near employment opportu-
8 nities, or (c) the housing opportunities of mi-
9 norities in the community within which the
10 housing is located.”.

11 **SEC. 407. DESIGNATION OF UNDERSERVED AREAS AND**
12 **RESERVATION OF ASSISTANCE.**

13 (a) REAUTHORIZATION AND SET-ASIDE.—Section
14 509(f)(4) of the Housing Act of 1949 (42 U.S.C.
15 1479(f)(4)) is amended—

16 (1) in subparagraph (A)—

17 (A) in the first sentence—

18 (i) by striking “5.0 percent in fiscal
19 years 1993 and 1994” and inserting “not
20 less than 5 percent or more than 10 per-
21 cent for each of fiscal years 1995 and
22 1996”; and

23 (ii) by striking “514, 515, and 524”
24 and inserting “and 515”; and

1 (B) in the second sentence, by striking
2 “sections 514 and 515” and inserting “section
3 515”; and

4 (2) in subparagraph (B)(ii), by striking “5 per-
5 cent” and inserting “10 percent”.

6 (b) POVERTY LEVEL FOR DESIGNATION.—Section
7 509(f)(1) of the Housing Act of 1949 is amended—

8 (1) in subparagraph (A), by striking “20 per-
9 cent” and inserting “15 percent”; and

10 (2) in subparagraph (B), by striking “10 per-
11 cent” and inserting “5 percent”.

12 (c) POVERTY LEVEL FOR PREFERENCE.—Section
13 509(f)(2) of the Housing Act of 1949 is amended—

14 (1) in subparagraph (A), by striking “28 per-
15 cent” and inserting “20 percent”; and

16 (2) in subparagraph (B), by striking “13 per-
17 cent” and inserting “7 percent”.

18 (d) ADDITIONAL QUALIFICATION AS UNDERSERVED
19 AREA.—Section 509(f)(1) of the Housing Act of 1949 is
20 amended by inserting after subparagraph (B) the follow-
21 ing new flush sentence:

22 “The Secretary may also designate a county or com-
23 munity as a targeted underserved area if the Sec-
24 retary determines that the county or community has
25 severe unmet housing needs, including needs caused

1 by severe economic and social dislocation such as
2 natural disasters, structural employment changes, or
3 persistent poverty, or has experienced long-term pop-
4 ulation and job losses.”.

5 (e) GEOGRAPHICAL DIVERSITY.—Section 509(f)(1)
6 of the Housing Act of 1949 is amended by adding at the
7 end the following: “In designating targeted underserved
8 areas under this paragraph for any fiscal year, the Sec-
9 retary may not designate more than 10 counties and com-
10 munities located in any single State or in the Common-
11 wealth of Puerto Rico. If more than 10 counties and com-
12 munities in any single State or the Commonwealth of
13 Puerto Rico qualify under this paragraph for designation
14 as an underserved area, the Secretary shall designate the
15 counties and communities for which the sum of the per-
16 centages under subparagraphs (A) and (B) are the
17 greatest.”.

18 (f) 2-YEAR AND 3-YEAR DESIGNATIONS.—Section
19 509(f) of the Housing Act of 1949 (42 U.S.C. 1479(f))
20 is amended—

21 (1) in paragraph (1)—

22 (A) in the 1st sentence, by striking “in
23 each fiscal year”; and

24 (B) in the 2d sentence, by striking “year
25 in” and inserting “first year for”;

1 (2) in paragraph (2)—

2 (A) in the first sentence, by striking
3 “paragraph (4)” and inserting “paragraph
4 (5)”; and

5 (B) by striking the last sentence;

6 (3) in paragraph (3)(B), by striking “para-
7 graph (2)” and inserting “paragraph (3)”;

8 (4) in paragraph (4)(A), by striking “paragraph
9 (7)” and inserting “paragraph (8)”;

10 (5) by redesignating paragraphs (2) through
11 (8) as paragraphs (3) through (9), respectively; and

12 (6) by inserting after paragraph (1) the follow-
13 ing new paragraph:

14 “(2) TIMING AND DURATION OF DESIGNA-
15 TIONS.—

16 “(A) IN GENERAL.—Except as provided in
17 subparagraph (B), the Secretary shall redesign-
18 nate the targeted underserved areas under this
19 subsection once every 2 fiscal years and such
20 designations shall remain in effect for a period
21 of 2 fiscal years. The first such 2-year designa-
22 tion shall be made for fiscal years 1995 and
23 1996.

24 “(B) DESIGNATIONS FOR INDIAN AREAS.—

25 The Secretary shall ensure that, at all times,

1 not less than 5 counties or communities that
2 contain tribal allotted or Indian trust land are
3 included among the 100 counties and commu-
4 nities designated as targeted underserved areas.
5 The Secretary shall redesignate the counties or
6 communities designated as a targeted under-
7 served area in compliance with this subpara-
8 graph once every 3 fiscal years and such des-
9 ignations shall remain in effect for 3 fiscal
10 years. The first such 3-year designation shall be
11 made for fiscal years 1995 through 1997. Upon
12 designation, the Secretary shall specify any tar-
13 geted underserved area designated in compli-
14 ance with this subparagraph.”.

15 **SEC. 408. ADMINISTRATIVE APPEALS.**

16 (a) APPEALS.—Section 510(g) of the Housing Act of
17 1949 (42 U.S.C. 1480(g)) is amended—

18 (1) by inserting after “termination and” the
19 following: “, in the case of any eviction not related
20 to any drug-related or criminal activity, nonpayment
21 of rent, or activity that threatens the health, safety,
22 or right to peaceful enjoyment of the premises by
23 other residents,”; and

24 (2) by inserting after “reverse the decision” the
25 following: “and is mutually selected within a reason-

1 able period of time by the person adversely affected
2 by the reduction or termination of assistance and
3 the person reducing or terminating assistance”.

4 (b) ATTORNEYS.—Section 510(d)(1) of the Housing
5 Act of 1949 is amended—

6 (1) in the matter preceding subparagraph (A),
7 by inserting “or 515” after “502”; and

8 (2) in subparagraph (C)(ii), by inserting “with
9 respect to litigation under section 502,” before “rep-
10 resentation”.

11 **SEC. 409. SECTION 515 RURAL RENTAL HOUSING.**

12 (a) LOAN TERM.—Section 515(a)(2) of the Housing
13 Act of 1949 (42 U.S.C. 1485(a)(2)) is amended by insert-
14 ing before the semicolon the following: “, except that the
15 Secretary may also make loans for a period of up to 30
16 years from the making of the loan”.

17 (b) DEVELOPMENT COST.—Section 515(e)(4) of the
18 Housing Act of 1949 is amended by inserting “franchise
19 fees,” after “impact fees,”.

20 (c) LIMITATION ON PROJECT TRANSFERS.—Section
21 515 of the Housing Act of 1949 (42 U.S.C. 1485) is
22 amended by inserting after subsection (g) the following
23 new subsection:

24 “(h) PROJECT TRANSFERS.—After the date of the
25 enactment of the Housing and Community Development

1 Act of 1994, any interest in the ownership of a project
2 for which a loan is made or insured under this section
3 may be transferred only if the Secretary determines that
4 such transfer would be in the best interests of the tenants
5 of the housing for which the loan was made or insured
6 and of the Federal Government.”.

7 (d) EQUITY LOANS.—Section 515(t) of the Housing
8 Act of 1949 is amended—

9 (1) by striking paragraphs (4) and (5); and

10 (2) by redesignating paragraphs (6) through
11 (8) as paragraphs (4) through (6), respectively.

12 (e) SET-ASIDE FOR NONPROFIT ENTITIES.—The
13 first sentence of section 515(w)(1) of the Housing Act of
14 1949 (42 U.S.C. 1485(w)(1)) is amended by striking “fis-
15 cal years 1993 and 1994” and inserting “fiscal years 1995
16 and 1996”.

17 (f) AUTHORITY FOR STREAMLINED MORTGAGE
18 MODIFICATIONS.—Section 515 of the Housing Act of
19 1949 (42 U.S.C. 1485) is amended by adding at the end
20 the following new subsection:

21 “(aa) MORTGAGE MODIFICATIONS.—

22 “(1) PURPOSE AND AUTHORITY.—In order to
23 reduce the amount of debt service payments and op-
24 erating costs of borrowers under loans made or in-
25 sured under this section, reduce rents paid by resi-

1 dents of housing financed with such loans, and re-
2 duce the amount of rental assistance necessary for
3 such housing, the Secretary may refinance the out-
4 standing principal obligation of a loan made under
5 this subsection in accordance with the provisions ap-
6 plicable (at the time of such refinancing) to loans
7 made under this section that the Secretary deter-
8 mines are appropriate for purposes of this sub-
9 section and the terms and conditions of the original
10 loan. The authority of the Secretary under this sub-
11 section to modify loans shall be effective for any fis-
12 cal year only to such extent or in such amounts as
13 are or have been provided for such costs in appro-
14 priation Acts for such fiscal year.

15 “(2) USE OF HOUSING.—Any terms of the
16 original loan relating to use of the housing and re-
17 lated facilities for the purposes specified in this sec-
18 tion shall continue to apply to the housing in the
19 same manner as if the loan were not modified under
20 this subsection.

21 “(3) TREATMENT OF MODIFIED MORTGAGE
22 UNDER PREPAYMENT RESTRICTIONS.—Any loan
23 modified under this subsection shall be considered a
24 loan originally made under this section, for purposes
25 of the limitations under subsection (c) on prepay-

1 ment and refinancing under subsection (b)(3). For
2 purposes of determining the financial status of the
3 loan or the housing securing the loan, the Secretary
4 may consider the terms of the refinancing.

5 “(4) TERMS.—The Secretary shall, by regula-
6 tion, establish any requirements and conditions the
7 Secretary considers appropriate to provide for refi-
8 nancing under this subsection, including any limita-
9 tions on term of the refinancing loan.

10 “(5) EXPEDITED PROCEDURE.—The Secretary
11 shall establish an expedited procedure for providing
12 refinancing under this subsection, which—

13 “(A) shall not require application under
14 the same procedures applicable to loans made
15 under subsection (a); and

16 “(B) shall take into consideration any in-
17 formation obtained by the Secretary in making
18 and servicing the loan under subsection (a) for
19 which refinancing under this subsection is re-
20 quested.”.

21 (g) REPEAL OF PROHIBITIONS.—Section 515 of the
22 Housing Act of 1949 is amended by striking subsection
23 (z).

24 (h) LOCATION OF PROJECTS.—Section 532 of the
25 Housing Act of 1949 (42 U.S.C. 1490l) is amended—

1 (1) in subsection (a), by inserting “other than
2 assistance under section 515” after “in making as-
3 sistance”; and

4 (2) by adding at the end the following new sub-
5 section:

6 “(c) ALLOCATION OF SECTION 515 LOANS.—

7 “(1) PROCEDURE.—The Secretary shall make
8 assistance under section 515 available pursuant to
9 an objective procedure established by the Secretary,
10 under which the Secretary shall identify counties
11 and communities having the greatest need for such
12 assistance and designate such counties and commu-
13 nities to receive such assistance. Under such proce-
14 dure, the Secretary shall use objective measures to
15 determine the need for rental housing assistance,
16 which may include the incidence of poverty, sub-
17 standard housing, lack of mortgage credit, lack or
18 insufficient amount of affordable housing, and other
19 factors demonstrating a need for affordable housing.

20 “(2) INFORMATION.—The Secretary shall use
21 information from the decennial censuses of the Unit-
22 ed States, relevant comprehensive affordable housing
23 strategies under section 105 of the Cranston-Gon-
24 zalez National Affordable Housing Act, and other
25 reliable sources obtained by the Secretary which

1 demonstrate the need for affordable rental housing
2 in rural areas.

3 “(3) DESIGNATION.—A designation under para-
4 graph (1) shall not be effective for a period of more
5 than 3 years, but may be renewed by the Secretary
6 under the procedure under paragraph (1). The Sec-
7 retary shall cause to be published in the Federal
8 Register a list of areas designated under paragraph
9 (1) and a reasonable timetable for submission of
10 preapplications. The Secretary shall take such other
11 reasonable actions as the Secretary considers appro-
12 priate to notify the public of such designations.”.

13 **SEC. 410. OPTIONAL CONVERSION OF RENTAL ASSISTANCE**
14 **PAYMENTS TO OPERATING SUBSIDY FOR MI-**
15 **GRANT FARMWORKER PROJECTS.**

16 (a) IN GENERAL.—Section 521(a) of the Housing
17 Act of 1949 (42 U.S.C. 1490a(a)) is amended by adding
18 at the end the following new paragraph:

19 “(5) OPERATING ASSISTANCE FOR MIGRANT FARM-
20 WORKER PROJECTS.—

21 “(A) AUTHORITY.—In the case of housing (and
22 related facilities) for migrant farmworkers provided
23 or assisted with a loan under section 514 or a grant
24 under section 516, the Secretary may, at the request
25 of the owner of the project, use amounts provided

1 for rental assistance payments under paragraph (2)
2 to provide assistance for the costs of operating the
3 project. Any project assisted under this paragraph
4 may not receive rental assistance under paragraph
5 (2).

6 “(B) AMOUNT.—In any fiscal year, the assist-
7 ance provided under this paragraph for any project
8 shall not exceed an amount equal to 90 percent of
9 the operating costs for the project for the year, as
10 determined by the Secretary. The amount of assist-
11 ance to be provided for a project under this para-
12 graph shall be an amount that makes units in the
13 project available to migrant farmworkers in the area
14 of the project at rates generally not exceeding 30
15 percent of the monthly adjusted incomes of such
16 farmworkers, based on the prevailing incomes of
17 such farmworkers in the area.

18 “(C) SUBMISSION OF INFORMATION.—The
19 owner of a project assisted under this paragraph
20 shall be required to provide to the Secretary, at least
21 annually, a budget of operating expenses and esti-
22 mated rental income, which the Secretary shall use
23 to determine the amount of assistance for the
24 project.

1 “(D) DEFINITIONS.—For purposes of this
2 paragraph, the following definitions shall apply:

3 “(i) The term ‘migrant farmworker’ shall
4 have the same meaning given the term in sec-
5 tion 516(k)(7).

6 “(ii) The term ‘operating cost’ means ex-
7 penses incurred in operating a project, includ-
8 ing expenses for—

9 “(I) administration, maintenance, re-
10 pair, and security of the project;

11 “(II) utilities, fuel, furnishings, and
12 equipment for the project; and

13 “(III) maintaining adequate reserve
14 funds for the project.”.

15 (b) CONFORMING AMENDMENTS.—Title V of the
16 Housing Act of 1949 (42 U.S.C. 1471 et seq.) is amend-
17 ed—

18 (1) in section 502—

19 (A) in subsection (c)(1)(A)(i), by striking
20 “or (a)(2)” and inserting “, (a)(2), or (5)”;

21 (B) in subsection (c)(4)(B)(ii), by inserting
22 before the period at the end the following: “, or
23 additional assistance or an increase in assist-
24 ance provided under section 521(a)(5)”;

1 (C) in subsection (c)(4)(B)(iii), by insert-
2 ing before the period at the end the following:
3 “, or current tenants of projects not assisted
4 under section 521(a)(5)”;

5 (D) in subsection (c)(5)(C)(iii)—

6 (i) by striking the 2d comma; and

7 (ii) by inserting “or any assistance
8 payments received under section
9 521(a)(5),” before “with respect”; and

10 (E) in subsection (c)(5)(D), by inserting
11 before the period at the end the following: “or,
12 in the case of housing assisted under section
13 521(a)(5), does not exceed the rents established
14 for the project under such section”;

15 (2) in the second sentence of section 509(f)(5)
16 (as redesignated by the preceding provisions of this
17 title), by striking “an amount of section 521 rental
18 assistance” and inserting “, from amounts available
19 for assistance under paragraphs (2) and (5) of sec-
20 tion 521(a), an amount”;

21 (3) in section 513(c)(2)—

22 (A) in the matter preceding subparagraph
23 (A), by inserting “or contracts for operating as-
24 sistance under section 521(a)(5)” after
25 “521(a)(2)(A)”;

1 (B) in subparagraph (A), by inserting “or
2 operating assistance contracts” after “con-
3 tracts”;

4 (C) in subparagraph (B), by striking
5 “rental” each place it appears; and

6 (D) in subparagraph (C), by inserting “or
7 operating assistance contracts” after “con-
8 tracts”;

9 (4) in section 521(a)(2)(B)—

10 (A) by inserting “or paragraph (5)” after
11 “this paragraph”; and

12 (B) by striking “which shall” and all that
13 follows through the period at the end and in-
14 serting the following: “. The budget (and the
15 income, in the case of a project assisted under
16 this paragraph) shall be used to determine the
17 amount of the assistance for each project.”;

18 (5) in section 521(c), by striking “subsection
19 (a)(2)” and inserting “subsections (a)(2) and
20 (a)(5)”;

21 (6) in section 521(e), by inserting after “recipi-
22 ent” the following: “or any tenant in a project as-
23 sisted under subsection (a)(5)”;

24 (7) in section 530, by striking “rental assist-
25 ance payments with respect to such project under

1 section 521(a)(2)(A)” and inserting “assistance pay-
2 ments with respect to such project under section
3 521(a)(2)(A) or 521(a)(5)”.

4 **SEC. 411. DEFINITION OF RURAL AREA.**

5 The last sentence of section 520 of the Housing Act
6 of 1949 (42 U.S.C. 1490) is amended by striking “city
7 of” and inserting “cities of South Tucson, Arizona, and”.

8 **SEC. 412. PRIORITY FOR RURAL HOUSING VOUCHER AS-**
9 **SISTANCE.**

10 Section 542 of the Housing Act of 1949 (42 U.S.C.
11 1490r) is amended by adding at the end the following new
12 subsection:

13 “(c) PRIORITY.—

14 “(1) REQUIREMENT.—In providing assistance
15 under this section, the Secretary shall give pref-
16 erence to providing assistance for rental housing
17 that—

18 “(A) is financed or assisted with a loan,
19 guarantee, insurance, or other assistance pro-
20 vided under this title; and

21 “(B)(i) has a significant number of units,
22 as determined by the Secretary, that have been
23 vacant for extended periods; or

24 “(ii) is occupied by a significant number of
25 families, as determined by the Secretary, who

1 pay as rent for a unit in the housing an amount
 2 exceeding 30 percent of the family's monthly
 3 adjusted income.

4 “(2) PROJECT-BASED ASSISTANCE.—To provide
 5 assistance according to the preference under para-
 6 graph (1), the Secretary may enter into contracts
 7 with owners of housing described in paragraph (1)
 8 to provide voucher assistance payments that are at-
 9 tached to such housing on behalf of very low-income
 10 families who reside in such housing.”.

11 **SEC. 413. LOAN GUARANTEES FOR MULTIFAMILY RENTAL**
 12 **HOUSING IN RURAL AREAS.**

13 Title V of the Housing Act of 1949 (42 U.S.C. 1471
 14 et seq.) is amended by inserting after section 537 the fol-
 15 lowing new section:

16 **“SEC. 538. LOAN GUARANTEES FOR MULTIFAMILY RENTAL**
 17 **HOUSING IN RURAL AREAS.**

18 “(a) AUTHORITY.—The Secretary may make commit-
 19 ments to guarantee eligible loans for the development costs
 20 of eligible housing and related facilities, and may guaran-
 21 tee such eligible loans, in accordance with this section.

22 “(b) EXTENT OF GUARANTEE.—A guarantee made
 23 under this section shall guarantee repayment of an
 24 amount not exceeding the total of the amount of the un-
 25 paid principal and interest of the loan for which the guar-

1 antee is made. The liability of the United States under
2 any guarantee under this section shall decrease or increase
3 pro rata with any decrease or increase of the amount of
4 the unpaid portion of the obligation.

5 “(c) ELIGIBLE BORROWERS.—A loan guaranteed
6 under this section may be made to a nonprofit organiza-
7 tion, an agency or body of any State government or politi-
8 cal subdivision thereof, or a private entity.

9 “(d) ELIGIBLE HOUSING.—A loan may be guaran-
10 teed under this section only if the loan is used for the
11 development costs of housing and related facilities (as
12 such terms are defined in section 515(e)) that—

13 “(1) consists of 5 or more adequate dwellings;

14 “(2) is available for occupancy only by low or
15 moderate income families or persons, whose incomes
16 at the time of initial occupancy do not exceed 115
17 percent of the median income of the area, as deter-
18 mined by the Secretary;

19 “(3) will remain available as provided in para-
20 graph (2), according to such binding commitments
21 as the Secretary may require, for the period of the
22 original term of the loan guaranteed, unless the
23 housing is acquired by foreclosure (or instrument in
24 lieu of foreclosure) or the Secretary waives the appli-

1 cability of such requirement for the loan only after
2 determining, based on objective information, that—

3 “(A) there is no longer a need for low- and
4 moderate-income housing in the market area in
5 which the housing is located;

6 “(B) housing opportunities for low-income
7 households and minorities will not be reduced
8 as a result of the waiver; and

9 “(C) additional Federal assistance will not
10 be necessary as a result of the waiver; and

11 “(4) is located in a rural area.

12 “(e) ELIGIBLE LENDERS.—

13 “(1) REQUIREMENT.—A loan may be guaran-
14 teed under this subsection only if the loan is made
15 by a lender that the Secretary determines—

16 “(A) meets the qualifications, and has been
17 approved by the Secretary of Housing and
18 Urban Development, to make loans for multi-
19 family housing that are to be insured under the
20 National Housing Act;

21 “(B) meets the qualifications, and has
22 been approved by the Federal National Mort-
23 gage Association and the Federal Home Loan
24 Mortgage Corporation, to make loans for multi-

1 family housing that are to be sold to such cor-
2 porations; or

3 “(C) meets any qualifications that the Sec-
4 retary may, by regulation, establish for partici-
5 pation of lenders in the loan guarantee program
6 under this section.

7 “(2) ELIGIBILITY LIST AND ANNUAL AUDIT.—
8 The Secretary shall establish a list of eligible lenders
9 and shall annually conduct an audit of each lender
10 included in the list for purposes of determining
11 whether such lender continues to be an eligible
12 lender.

13 “(f) LOAN TERMS.—Each loan guaranteed pursuant
14 to this subsection shall—

15 “(1) provide for complete amortization by peri-
16 odic payments to be made for a term not to exceed
17 40 years;

18 “(2) involve a rate of interest agreed upon by
19 the borrower and the lender that does not exceed the
20 maximum allowable rate established by the Secretary
21 for purposes of this section and is fixed over the
22 term of the loan;

23 “(3) involve a principal obligation (including
24 initial service charges, appraisal, inspection, and

1 other fees as the Secretary may approve) not to
2 exceed—

3 “(A) in the case of a borrower that is a
4 nonprofit organization or an agency or body of
5 any State or local government, 97 percent of
6 the development costs of the housing and relat-
7 ed facilities or the value of the housing and fa-
8 cilities, whichever is less;

9 “(B) in the case of a borrower that is a
10 for-profit entity not referred to in subparagraph
11 (A), 90 percent of the development costs of the
12 housing and related facilities or the value of the
13 housing and facilities, whichever is less; and

14 “(C) in the case of any borrower, for such
15 part of the property as may be attributable to
16 dwelling use, the applicable maximum per unit
17 dollar amount limitations under section 207(c)
18 of the National Housing Act;

19 “(4) be secured by a first mortgage on the
20 housing and related facilities for which the loan is
21 made, or otherwise, as the Secretary may determine
22 necessary to ensure repayment of the obligation; and

23 “(5) for at least 20 percent of the loans made
24 under this section, the Secretary shall provide the
25 borrower with assistance in the form of credits pur-

1 suant to section 521(a)(1)(B) to the extent nec-
2 essary to reduce the rate of interest under para-
3 graph (2) to the applicable Federal rate, as such
4 term is used in section 42(i)(2)(D) of the Internal
5 Revenue Code of 1986.

6 “(g) GUARANTEE FEE.—At the time of issuance of
7 a loan guaranteed under this section, the Secretary may
8 collect from the lender a fee equal to not more than 1
9 percent of the principal obligation of the loan.

10 “(h) AUTHORITY FOR LENDERS TO ISSUE CERTIFI-
11 CATES OF GUARANTEE.—The Secretary may authorize
12 certain eligible lenders to determine whether a loan meets
13 the requirements for guarantee under this section and,
14 subject to the availability of authority to enter into guar-
15 antees under this section, execute a firm commitment for
16 a guarantee binding upon the Secretary and issue a certifi-
17 cate of guarantee evidencing a guarantee, without review
18 and approval by the Secretary of the specific loan. The
19 Secretary may establish standards for approving eligible
20 lenders for a delegation of authority under this subsection.

21 “(i) PAYMENT UNDER GUARANTEE.—

22 “(1) NOTICE OF DEFAULT.—In the event of de-
23 fault by the borrower on a loan guaranteed under
24 this section, the holder of the guarantee certificate

1 for the loan shall provide written notice of the de-
2 fault to the Secretary.

3 “(2) FORECLOSURE.—After receiving notice
4 under paragraph (1) and providing written notice of
5 action under this paragraph to the Secretary, the
6 holder of the guarantee certificate for the loan may
7 initiate foreclosure proceedings for the loan in a
8 court of competent jurisdiction, in accordance with
9 regulations issued by the Secretary, to obtain posses-
10 sion of the security property. After the court issues
11 a final order authorizing foreclosure on the property,
12 the holder of the certificate shall be entitled to pay-
13 ment by the Secretary under the guarantee (in the
14 amount provided under subsection (b)) upon (A)
15 conveyance to the Secretary of title to the security
16 property, (B) submission to the Secretary of a claim
17 for payment under the guarantee, and (C) assign-
18 ment to the Secretary of all the claims of the holder
19 of the guarantee against the borrower or others aris-
20 ing out of the loan transaction or foreclosure pro-
21 ceedings, except claims released with the consent of
22 the Secretary.

23 “(3) ASSIGNMENT BY SECRETARY.—After re-
24 ceiving notice under paragraph (1), the Secretary
25 may accept assignment of the loan if the Secretary

1 determines that the assignment is in the best inter-
2 ests of the United States. Assignment of a loan
3 under this paragraph shall include conveyance to the
4 Secretary of title to the security property, assign-
5 ment to the Secretary of all rights and interests
6 arising under the loan, and assignment to the Sec-
7 retary of all claims against the borrower or others
8 arising out of the loan transaction. Upon assignment
9 of a loan under this paragraph, the holder of a guar-
10 antee certificate for the loan shall be entitled to pay-
11 ment by the Secretary under the guarantee (in the
12 amount provided under subsection (b)).

13 “(4) REQUIREMENTS.—Before any payment
14 under a guarantee is made under paragraph (2) or
15 (3), the holder of the guarantee certificate shall ex-
16 haust all reasonable possibilities of collection on the
17 loan guaranteed. Upon payment, in whole or in part,
18 to the holder, the note or judgment evidencing the
19 debt shall be assigned to the United States and the
20 holder shall have no further claim against the bor-
21 rower or the United States. The Secretary shall then
22 take such action to collect as the Secretary deter-
23 mines appropriate.

24 “(j) VIOLATION OF GUARANTEE REQUIREMENTS BY
25 LENDERS ISSUING GUARANTEES.—

1 “(1) INDEMNIFICATION.—If the Secretary de-
2 termines that a loan guaranteed by an eligible lender
3 pursuant to delegation of authority under subsection
4 (h) was not originated in accordance with the re-
5 quirements under this section and the Secretary
6 pays a claim under the guarantee for the loan, the
7 Secretary may require the eligible lender authorized
8 under subsection (h) to issue the guarantee certifi-
9 cate for the loan—

10 “(A) to indemnify the Secretary for the
11 loss, if the payment under the guarantee was
12 made within a reasonable period specified by
13 the Secretary; or

14 “(B) to indemnify the Secretary for the
15 loss regardless of when payment under the
16 guarantee was made, if the Secretary deter-
17 mines that fraud or misrepresentation was in-
18 volved in connection with the origination of the
19 loan.

20 “(2) TERMINATION OF AUTHORITY TO ISSUE
21 GUARANTEES.—The Secretary may cancel a delega-
22 tion of authority under subsection (h) to an eligible
23 lender if the Secretary determines that the lender
24 has violated the requirements and procedures for
25 guaranteed loans under this section or for other

1 good cause. Any such cancellation shall be made by
2 giving notice to the eligible lender and shall take ef-
3 fect upon receipt of the notice by the mortgagee or
4 at a later date, as the Secretary may provide. A de-
5 cision by the Secretary to cancel a delegation shall
6 be final and conclusive and shall not be subject to
7 judicial review.

8 “(k) REFINANCING.—Any loan guaranteed under this
9 section may be refinanced and extended in accordance
10 with terms and conditions that the Secretary shall pre-
11 scribe, but in no event for an additional amount or term
12 that exceeds the limitations under subsection (f).

13 “(l) NONASSUMPTION.—The borrower under a loan
14 that is guaranteed under this section and under which any
15 portion of the principal obligation or interest remains out-
16 standing may not be relieved of liability with respect to
17 the loan, notwithstanding the transfer of property for
18 which the loan was made.

19 “(m) GEOGRAPHICAL TARGETING.—

20 “(1) STUDY.—The Secretary shall provide for
21 an independent entity to conduct a study to deter-
22 mine the extent to which borrowers in the United
23 States will utilize loan guarantees under this section,
24 the rural areas in the United States in which bor-
25 rowers can best utilize and most need loans guaran-

1 teed under this section, and the rural areas in the
2 United States in which housing of the type eligible
3 for a loan guarantee under this section is most need-
4 ed by low- and moderate-income families. The Sec-
5 retary shall require the independent entity conduct-
6 ing the study to submit a report to the Secretary
7 and to the Congress describing the results of the
8 study not later than the expiration of the 90-day pe-
9 riod beginning on the date of the enactment of the
10 Housing and Community Development Act of 1994.

11 “(2) TARGETING.—In providing loan guaran-
12 tees under this section, the Secretary shall establish
13 standards to target and give priority to rural areas
14 in which borrowers can best utilize and most need
15 loans guaranteed under this section, as determined
16 by the Secretary based on the results of the study
17 under paragraph (1) and any other information the
18 Secretary considers appropriate.

19 “(n) INAPPLICABILITY OF CREDIT-ELSEWHERE
20 TEST.—Section 501(c) shall not apply to guarantees, or
21 loans guaranteed, under this section.

22 “(o) TENANT PROTECTIONS.—The Secretary shall
23 establish standards for the treatment of tenants of hous-
24 ing developed using amounts from a loan guaranteed
25 under this section, which shall incorporate, to the extent

1 applicable, existing standards applicable to tenants of
2 housing developed with loans made under section 515.
3 Such standards shall include standards for fair housing
4 and equal opportunity, lease and grievance procedures,
5 and tenant appeals of adverse actions.

6 “(p) HOUSING STANDARDS.—The standards estab-
7 lished under section 515(m) for housing and related facili-
8 ties assisted under section 515 shall apply to housing and
9 related facilities the development costs of which are fi-
10 nanced in whole or in part with a loan guaranteed under
11 this section.

12 “(q) LIMITATION ON COMMITMENTS TO GUARANTEE
13 LOANS.—

14 “(1) REQUIREMENT OF APPROPRIATIONS.—The
15 authority of the Secretary to enter into commit-
16 ments to guarantee loans under this section, and to
17 guarantee loans, shall be effective for any fiscal year
18 only to the extent or in such amounts as are or have
19 been provided in appropriations Acts for such fiscal
20 year.

21 “(2) LIMITATION ON PROJECTS AND OUT-
22 STANDING AGGREGATE PRINCIPAL AMOUNT.—Sub-
23 ject to the limitation in paragraph (1), the Secretary
24 may enter into commitments to guarantee loans
25 under this section for not more than 25 housing

1 projects in each of fiscal years 1995 and 1996, hav-
2 ing an aggregate outstanding principal amount not
3 exceeding \$50,000,000 in each of such fiscal years.

4 “(r) REPORT.—

5 “(1) IN GENERAL.—The Secretary shall submit
6 a report to the Congress, not later than the expira-
7 tion of the 2-year period beginning on the date of
8 the enactment of the Housing and Community De-
9 velopment Act of 1994, describing the program
10 under this section for guaranteeing loans.

11 “(2) CONTENTS.—The report shall—

12 “(A) describe the types of borrowers pro-
13 viding housing with loans guaranteed under this
14 section, the areas served by the housing pro-
15 vided and the geographical distribution of the
16 housing, the levels of income of the residents of
17 the housing, the number of dwelling units pro-
18 vided, the extent to which borrowers under such
19 loans have obtained other financial assistance
20 for development costs of housing provided with
21 the loans, and the extent to which borrowers
22 under such loans have used low-income housing
23 tax credits provided under section 42 of the In-
24 ternal Revenue Code of 1986 in connection with
25 the housing provided with the loans;

1 “(B) analyze the financial viability of the
2 housing provided with loans guaranteed under
3 this section and the need for project-based rent-
4 al assistance for such housing;

5 “(C) include any recommendations of the
6 Secretary for expanding or improving the pro-
7 gram under this section for guaranteeing loans;
8 and

9 “(D) include any other information regard-
10 ing the program for guaranteeing loans under
11 this section that the Secretary considers appro-
12 priate.

13 “(s) DEFINITIONS.—For purposes of this subsection,
14 the following definitions shall apply:

15 “(1) The term ‘development cost’ has the mean-
16 ing given the term in section 515(e).

17 “(2) The term ‘eligible lender’ means a lender
18 determined by the Secretary to meet the require-
19 ments of subparagraph (A), (B), (C), or (D) of sub-
20 section (e)(1).

21 “(3) The terms ‘housing’ and ‘related facilities’
22 have the meanings given such terms in section
23 515(e).

24 “(t) AUTHORIZATION OF APPROPRIATIONS.—There
25 are authorized to be appropriated for fiscal years 1995

1 and 1996 such sums as may be necessary for costs (as
 2 such term is defined in section 502 of the Congressional
 3 Budget Act of 1974) of loan guarantees made under this
 4 section.

5 “(u) TERMINATION DATE.—A loan may not be guar-
 6 anteed under this section after September 30, 1996.”.

7 **TITLE V—AUTHORIZATIONS OF**
 8 **APPROPRIATIONS**

9 **SEC. 501. LOW-INCOME HOUSING AUTHORIZATION.**

10 (a) AGGREGATE BUDGET AUTHORITY.—Section
 11 5(c)(6) of the United States Housing Act of 1937 (42
 12 U.S.C. 1437c(c)(6)) is amended by adding at the end the
 13 following new sentence: “The aggregate amount of budget
 14 authority that may be obligated for assistance referred to
 15 in paragraph (7) is increased (to the extent approved in
 16 appropriation Acts) by the sum of the amounts provided
 17 in paragraph (7)(A) on October 1, 1994, and by the sum
 18 of the amounts provided in paragraph (7)(B) on October
 19 1, 1995.”.

20 (b) UTILIZATION OF BUDGET AUTHORITY.—Section
 21 5(c)(7) of the United States Housing Act of 1937 (42
 22 U.S.C. 1437c(c)(7)) is amended by striking the paragraph
 23 designation and all that follows through the end of sub-
 24 paragraph (B) and inserting the following:

1 “(7)(A) Using the additional budget authority pro-
2 vided under paragraph (6) and the balances of budget au-
3 thority that become available during fiscal year 1995, the
4 Secretary shall, to the extent approved in appropriation
5 Acts, reserve authority to enter into obligations aggregat-
6 ing—

7 “(i) for public housing grants under subsection
8 (a)(2), not more than \$861,000,000, of which
9 amount not more than \$263,000,000 shall be avail-
10 able for Indian housing;

11 “(ii) for assistance under section 8, not more
12 than \$2,674,000,000, of which not more than
13 \$75,000,000 shall be available for assistance under
14 section 8 for family unification under subsection
15 (q)(3) of such section;

16 “(iii) for assistance under section 5(j)(2) for
17 substantial redesign, reconstruction, and redevelop-
18 ment of existing obsolete public housing projects and
19 buildings, not more than \$114,000,000;

20 “(iv) for comprehensive improvement assistance
21 grants under section 14(k), not more than
22 \$3,230,000,000;

23 “(v) for assistance under section 8 for property
24 disposition, not more than \$691,000,000;

1 “(vi) for assistance under section 8 for loan
2 management, not more than \$150,000,000;

3 “(vii) for extensions of contracts expiring under
4 section 8, \$5,092,000,000 which shall be for 5-year
5 contracts for assistance under section 8 and vouch-
6 ers under section 8(o) (as in effect before the date
7 of the enactment of this Act) and for loan manage-
8 ment assistance under such section;

9 “(viii) for amendments to contracts under sec-
10 tion 8, such sums as may be necessary;

11 “(ix) for public housing lease adjustments and
12 amendments, such sums as may be necessary;

13 “(x) for assistance under section 18 for replace-
14 ment housing for units demolished or disposed of
15 under section 18, not more than \$333,450,000;

16 “(xi) for conversions from leased housing con-
17 tracts under section 23 of this Act (as in effect im-
18 mediately before the enactment of the Housing and
19 Community Development Act of 1974) to assistance
20 under section 8, such sums as may be necessary;
21 and

22 “(xii) for grants under section 24 for revitaliza-
23 tion of severely distressed public housing, not more
24 than \$500,000,000.

1 “(B) Using the additional budget authority provided
2 under paragraph (6) and the balances of budget authority
3 that become available during fiscal year 1996, the Sec-
4 retary shall, to the extent approved in appropriation Acts,
5 reserve authority to enter into obligations aggregating—

6 “(i) for public housing grants under subsection
7 (a)(2), not more than \$862,000,000, of which
8 amount not more than \$264,000,000 shall be avail-
9 able for Indian housing;

10 “(ii) for assistance under section 8, not more
11 than \$2,800,000,000, of which not more than
12 \$75,000,000 shall be available for assistance under
13 section 8 for family unification under subsection
14 (q)(3) of such section;

15 “(iii) for assistance under section 5(j)(2) for
16 substantial redesign, reconstruction, and redevelop-
17 ment of existing obsolete public housing projects and
18 buildings, not more than \$120,000,000;

19 “(iv) for comprehensive improvement assistance
20 grants under section 14(k), not more than
21 \$3,241,000;

22 “(v) for assistance under section 8 for property
23 disposition, not more than \$800,000,000;

24 “(vi) for assistance under section 8 for loan
25 management, not more than \$155,000,000;

1 “(vii) for extensions of contracts expiring under
2 section 8, \$6,000,000,000 which shall be for 5-year
3 contracts for assistance under section 8 and vouch-
4 ers under section 8(o) (as in effect before the date
5 of the enactment of the Housing and Community
6 Development Act of 1994) and for loan management
7 assistance under such section;

8 “(viii) for amendments to contracts under sec-
9 tion 8, such sums as may be necessary;

10 “(ix) for public housing lease adjustments and
11 amendments, such sums as may be necessary;

12 “(x) for assistance under section 18(g) for re-
13 placement housing for units demolished or disposed
14 of under section 18, not more than \$273,600,000;

15 “(xi) for conversions from leased housing con-
16 tracts under section 23 of this Act (as in effect im-
17 mediately before the enactment of the Housing and
18 Community Development Act of 1974) to assistance
19 under section 8, such sums as may be necessary;
20 and

21 “(xii) for grants under section 24 for revitaliza-
22 tion of severely distressed public housing, not more
23 than \$550,000,000.”.

1 **SEC. 502. PUBLIC HOUSING OPERATING SUBSIDIES.**

2 (a) AUTHORIZATION OF APPROPRIATIONS.—Section
3 9(c) of the United States Housing Act of 1937 (42 U.S.C.
4 1437g(c)) is amended—

5 (1) in paragraph (1), by striking “There” and
6 all that follows and inserting the following new sen-
7 tence: “There are authorized to be appropriated for
8 purposes of providing annual contributions under
9 this section \$3,146,000,000 for fiscal year 1995 and
10 \$3,208,000,000 for fiscal year 1996.”;

11 (2) in paragraph (2), by striking “1993 and
12 1994” and inserting “1995 and 1996”; and

13 (3) in paragraph (3), by striking “1993 and
14 1994” and inserting “1995 and 1996”.

15 (b) ELIGIBILITY OF SEVERELY DISTRESSED PUBLIC
16 HOUSING.—Section 9(a)(2) of the United States Housing
17 Act of 1937 is amended—

18 (1) by striking “one” and inserting “that is
19 (A)”; and

20 (2) by inserting after “section 8,” the following:
21 “or (B) assisted under section 24 or the program
22 authorized under (i) the third paragraph of the
23 head, HOMEOWNERSHIP AND OPPORTUNITY FOR
24 PEOPLE EVERYWHERE GRANTS (HOPE GRANTS), of
25 title II of the Departments of Veterans Affairs and
26 Housing and Urban Development, and Independent

1 Agencies Appropriations Act, 1993, or (ii) the head,
2 SEVERELY DISTRESSED PUBLIC HOUSING PROJECTS,
3 of title II of the Department of Veterans Affairs and
4 Housing and Urban Development, and Independent
5 Agencies Appropriations Act, 1994;”.

6 **SEC. 503. INDIAN HOUSING LOAN GUARANTEES.**

7 (a) LIMITATION ON OUTSTANDING AGGREGATE
8 PRINCIPAL AMOUNT.—Section 184(i)(5)(C) of the Hous-
9 ing and Community Development Act of 1992 (12 U.S.C.
10 1515z–13a(i)(5)(C)) is amended by striking “fiscal years
11 1993 and 1994” and inserting “fiscal years 1995 and
12 1996”.

13 (b) AUTHORIZATION OF APPROPRIATIONS FOR GUAR-
14 ANTEE FUND.—Section 184(i)(7) of the Housing and
15 Community Development Act of 1992 (12 U.S.C. 1515z–
16 13a(i)(7)) is amended to read as follows:

17 “(7) AUTHORIZATION OF APPROPRIATIONS.—
18 There are authorized to be appropriated to the
19 Guarantee Fund to carry out this section
20 \$50,000,000 for fiscal year 1995 and \$50,000,000
21 for fiscal year 1996.”.

22 **SEC. 504. NEW CONSTRUCTION OF PROJECTS FOR DIS-**
23 **ABLED FAMILIES.**

24 Section 5(j)(3)(A) of the United States Housing Act
25 of 1937 (42 U.S.C. 1437c(j)(3)(A)) is amended by strik-

1 ing “fiscal years 1993 and 1994” and inserting “fiscal
2 years 1995 and 1996”.

3 **SEC. 505. EMERGENCY MODERNIZATION FUNDS.**

4 Section 14(k)(1) of the United States Housing Act
5 of 1937 (42 U.S.C. 1437l(k)(1)) is amended in the first
6 sentence, by striking “\$75,000,000” and inserting
7 “\$50,000,000”.

8 **SEC. 506. FAMILY INVESTMENT CENTERS.**

9 Section 22(k) of the United States Housing Act of
10 1937 (42 U.S.C. 1437t(k)) is amended to read as follows:

11 “(k) AUTHORIZATION OF APPROPRIATIONS.—There
12 are authorized to be appropriated to carry out this section
13 \$50,000,000 for fiscal year 1995 and \$50,000,000 for fis-
14 cal year 1996.”.

15 **SEC. 507. SERVICE COORDINATORS.**

16 (a) PUBLIC HOUSING.—Section 9 of the United
17 States Housing Act of 1937 (42 U.S.C. 1437g) is amend-
18 ed in subsection (a)(1)(B)(ii)—

19 (1) in the 1st sentence, by striking “Annual”
20 and all that follows through “such project,” and in-
21 serting “To the extent amounts are made available
22 pursuant to section 5(c) for carrying out this clause,
23 the Secretary may increase the annual contributions
24 provided under this section to any public housing
25 agency for any project to provide”; and

1 (2) by striking the last 2 sentences.

2 (b) OTHER FEDERALLY ASSISTED MULTIFAMILY
3 HOUSING.—Section 676(c) of the Housing and Commu-
4 nity Development Act of 1992 (42 U.S.C. 13632(c)) is
5 amended to read as follows:

6 “(c) AUTHORIZATION OF APPROPRIATIONS.—There
7 are authorized to be appropriated for grants under this
8 section such sums as may be necessary for each of fiscal
9 years 1995 and 1996.”.

10 **SEC. 508. COMMUNITY PARTNERSHIPS AGAINST CRIME.**

11 There are authorized to be appropriated to carry out
12 chapter 2 of subtitle C of title V of the Anti-Drug Abuse
13 Act of 1988 (42 U.S.C. 11901 et seq.) \$300,000,000 for
14 fiscal year 1995 and \$325,000,000 for fiscal year 1996.
15 Any amount appropriated under this section shall remain
16 available until expended.

17 **SEC. 509. EARLY CHILDHOOD DEVELOPMENT PROGRAM.**

18 Section 222(g) of the Housing and Urban-Rural Re-
19 covery Act of 1983 (12 U.S.C. 1701z–6 note) is amended
20 by striking the first two sentences and inserting the follow-
21 ing new sentence: “There are authorized to be appro-
22 priated to carry out this section \$35,000,000 for fiscal
23 year 1995 and \$35,000,000 for fiscal year 1996.”.

1 **SEC. 510. SECTION 8 NEW CONSTRUCTION AND SUBSTAN-**
2 **TIAL REHABILITATION CONTRACT RENEW-**
3 **ALS.**

4 There are authorized to be appropriated such sums
5 as may be necessary to carry out the provisions of this
6 subtitle for which amounts are not provided under section
7 5(c) of the United States Housing Act of 1937.

8 **SEC. 511. HOUSING COUNSELING.**

9 (a) EXTENSIONS OF PROGRAMS.—

10 (1) EMERGENCY HOMEOWNERSHIP COUNSEL-
11 ING.—Section 106(c)(9) of the Housing and Urban
12 Development Act of 1968 (12 U.S.C. 1701x(c)(9)) is
13 amended by striking “September 30, 1994” and in-
14 serting “September 30, 1996”.

15 (2) PREPURCHASE AND FORECLOSURE-PREVEN-
16 TION COUNSELING DEMONSTRATION.—Section
17 106(d)(13) of the Housing and Urban Development
18 Act of 1968 (12 U.S.C. 1701x(d)(13)) is amended
19 by striking “fiscal year 1994” and inserting “fiscal
20 year 1996”.

21 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
22 106 of the Housing and Urban Development Act of 1968
23 (12 U.S.C. 1701x) is amended—

24 (1) in subsection (a), by striking paragraph (3);

25 (2) in subsection (c)—

26 (A) by striking paragraph (8); and

1 (B) by redesignating paragraph (9) (as
2 amended by subsection (a)) as paragraph (8);
3 (3) in subsection (d)—

4 (A) by striking paragraph (12); and

5 (B) by redesignating paragraph (13) (as
6 amended by subsection (a)) as paragraph (12);
7 (4) in subsection (f), by striking paragraph (7);

8 and

9 (5) by adding at the end the following new sub-
10 section:

11 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
12 are authorized to be appropriated to carry out this section
13 \$62,000,000 for fiscal year 1995 and \$65,000,000 for fis-
14 cal year 1996, of which amounts \$30,000,000 shall be
15 available in each such fiscal year to carry out subsection
16 (c). Any amounts appropriated pursuant to this subsection
17 shall remain available until expended.”.

18 **SEC. 512. HEADQUARTERS RESERVE.**

19 Section 213(d)(4)(A) of the Housing and Community
20 Development Act of 1974 (42 U.S.C. 1439(d)(4)(A)) is
21 amended—

22 (1) in clause (iii), by striking “and” at the end;

23 (2) in clause (iv) by striking the period at the
24 end and inserting a semicolon; and

1 (3) by inserting after clause (iv) the following
2 new clauses:

3 “(v) cash payments, in connection with the set-
4 tlement of civil rights litigation (excluding litigation
5 brought by an employee or former employee of the
6 Secretary); and

7 “(vi) in the case of financial assistance under
8 the rental housing assistance program under section
9 8 of the United States Housing Act of 1937, provid-
10 ing assistance pursuant to section 8(q)(4) of such
11 Act.”.

12 (b) AVAILABILITY OF PUBLIC HOUSING AND SEC-
13 TION 8 AMOUNTS.—Section 5 of the United States Hous-
14 ing Act of 1937 (42 U.S.C. 1437c) is amended by adding
15 at the end the following new subsection:

16 “(m) USE OF AMOUNTS UNDER HEADQUARTERS RE-
17 SERVE.—Any amounts appropriated for public housing de-
18 velopment or assistance under section 8, that are retained
19 by the Secretary in accordance with section 213(d)(4)(A)
20 of the Housing and Community Development Act of 1974,
21 may be used for any of the activities specified in clauses
22 (i) through (v) of such section.”.

23 (c) USE OF SECTION 8 ASSISTANCE FOR PORT-
24 ABILITY.—Section 213(d)(4) of the Housing and Commu-

1 nity Development Act of 1974 is amended by adding at
2 the end the following new subparagraph:

3 “(C) Of any financial assistance for the
4 rental housing assistance program under sec-
5 tion 8 of the United States Housing Act of
6 1937 that is reserved pursuant to subparagraph
7 (A), 5 percent shall be reserved for use only for
8 the purposes of providing assistance pursuant
9 to section 8(o)(6) of such Act.

10 **SEC. 513. SUPPORTIVE HOUSING FOR THE ELDERLY AND**
11 **FOR PERSONS WITH DISABILITIES.**

12 Section 601 of the Housing and Community Develop-
13 ment Act of 1992 (Public Law 102–550; 106 Stat. 3802)
14 is amended by striking subsection (a) and inserting the
15 following new subsection:

16 “(a) AGGREGATE FUNDING.—There are authorized
17 to be appropriated for the purpose of providing assistance
18 in accordance with section 202 of the Housing Act of 1959
19 and section 811 of the Cranston-Gonzalez National Af-
20 fordable Housing Act, \$1,948,000,000 for fiscal year 1995
21 and \$1,954,000,000 for fiscal year 1996.”.

22 **SEC. 514. CONGREGATE SERVICES.**

23 Section 802(n)(1) of the Cranston-Gonzalez National
24 Affordable Housing Act (42 U.S.C. 8011(n)(1)) is amend-

1 ed by striking the matter preceding subparagraph (A) and
2 inserting the following:

3 “(1) AUTHORIZATION AND USE.—There are au-
4 thorized to be appropriated to carry out this section
5 \$25,000,000 for fiscal year 1995, and \$26,000,000
6 for fiscal year 1996, of which not more than—”.

7 **SEC. 515. SUPPORTIVE HOUSING ASSISTANCE FOR ELDER-**
8 **LY INDEPENDENCE.**

9 (a) SECTION 8 ASSISTANCE.—The first sentence of
10 section 803(j) of the Cranston-Gonzalez National Afford-
11 able Housing Act (42 U.S.C. 8012(j)) is amended to read
12 as follows: “The budget authority available under section
13 5(c) of the United States Housing Act of 1937 for assist-
14 ance under section 8 of such Act is authorized to be in-
15 creased by \$25,000,000 on or after October 1, 1994, and
16 by \$25,000,000 on or after October 1, 1995.”.

17 (b) SUPPORTIVE SERVICES AUTHORIZATION.—The
18 first sentence of section 803(k) of the Cranston-Gonzalez
19 National Affordable Housing Act (42 U.S.C. 8012(k)) is
20 amended to read as follows: “There are authorized to be
21 appropriated for the Secretary to carry out the responsibil-
22 ities for supportive services under the demonstrations
23 under this section \$7,000,000 to become available in fiscal
24 year 1995, and \$7,000,000 to become available in fiscal
25 year 1996.”.

1 **SEC. 516. HOUSING OPPORTUNITIES FOR PERSONS WITH**
2 **AIDS.**

3 (a) AUTHORIZATION OF APPROPRIATIONS.—Section
4 863 of the Cranston-Gonzalez National Affordable Hous-
5 ing Act (42 U.S.C. 12912) is amended to read as follows:

6 **“SEC. 863. AUTHORIZATION OF APPROPRIATIONS.**

7 “There are authorized to be appropriated to carry out
8 this subtitle \$212,000,000 for fiscal year 1995 and
9 \$225,000,000 for fiscal year 1996.”.

10 **SEC. 517. NATIONAL HOMEOWNERSHIP FUND.**

11 Subtitle A of title III of the Cranston-Gonzalez Na-
12 tional Affordable Housing Act (42 U.S.C. 12701 note) is
13 amended by inserting after section 308 the following new
14 section:

15 **“SEC. 309. AUTHORIZATION OF APPROPRIATIONS.**

16 “There are authorized to be appropriated for assist-
17 ance under the National Homeownership Fund
18 \$115,000,000 for fiscal year 1995 and \$215,000,000 for
19 fiscal year 1996. Any amount appropriated under this sec-
20 tion shall remain available until expended.

21 **SEC. 518. LOW-INCOME HOUSING PRESERVATION.**

22 (a) ASSISTANCE AND INCENTIVES.—Section 234 of
23 the Housing and Community Development Act of 1987
24 (12 U.S.C. 4124) is amended to read as follows:

1 **“SEC. 234. AUTHORIZATION OF APPROPRIATIONS.**

2 “(a) IN GENERAL.—There are authorized to be ap-
3 propriated for assistance and incentives authorized under
4 this subtitle \$358,000,000 for fiscal year 1995 and
5 \$450,000,000 for fiscal year 1996.

6 “(b) GRANTS.—Subject to approval in appropriation
7 Acts, not more than \$40,000,000 of the amounts made
8 available under subsection (a) for fiscal year 1995, and
9 not more than \$40,000,000 of the amounts made available
10 under subsection (a) for fiscal year 1996, shall be available
11 for grants under section 221(d)(2).”.

12 (b) TECHNICAL ASSISTANCE AND CAPACITY BUILD-
13 ING.—The first sentence of section 257 of the Housing
14 and Community Development Act of 1987 (12 U.S.C.
15 4147) is amended to read as follows: “The Secretary shall
16 use not more than \$20,000,000 of the amounts made
17 available under section 234(a) for fiscal year 1995, and
18 not more than \$20,000,000 of the amounts made available
19 under section 234(a) for fiscal year 1996, to carry out
20 this subtitle.”.

21 **SEC. 519. FLEXIBLE SUBSIDY PROGRAM.**

22 Section 201(j)(5) of the Housing and Community De-
23 velopment Amendments of 1978 (12 U.S.C. 1715z-
24 1a(j)(5)) is amended to read as follows:

25 “(5) There are authorized to be appropriated for as-
26 sistance under the flexible subsidy fund not to exceed

1 \$50,000,000 for fiscal year 1995 and \$55,000,000 for fis-
2 cal year 1996.”.

3 **SEC. 520. HOME INVESTMENT PARTNERSHIPS.**

4 Section 205 of the Cranston-Gonzalez National Af-
5 fordable Housing Act (42 U.S.C. 12724) is amended to
6 read as follows:

7 **“SEC. 205. AUTHORIZATION.**

8 “There are authorized to be appropriated to carry out
9 this title \$1,700,000,000 for fiscal year 1995, and
10 \$2,000,000,000 for fiscal year 1996, of which—

11 “(1) not more than \$25,000,000 for fiscal year
12 1995, and \$25,000,000 for fiscal year 1996, shall be
13 for community housing partnership activities author-
14 ized under section 233; and

15 “(2) not more than \$22,000,000 for fiscal year
16 1995, and \$22,000,000 for fiscal year 1996, shall be
17 for activities in support of State and local housing
18 strategies authorized under subtitle C.”.

19 **SEC. 521. COMMUNITY INVESTMENT DEMONSTRATION PRO-**
20 **GRAM.**

21 Section 6(j) of the HUD Demonstration Act of 1993
22 (42 U.S.C. 1437f note) is amended to read as follows:

23 “(j) AUTHORIZATION OF APPROPRIATIONS.—Of any
24 amounts appropriated for incremental assistance under
25 section 8 of the United States Housing Act of 1937, the

1 Secretary may use not more than \$150,000,000 in fiscal
2 year 1995 and \$200,000,000 in fiscal year 1996 to carry
3 out this section.”.

4 **SEC. 522. YOUTHBUILD PROGRAM.**

5 (a) AUTHORIZATION OF APPROPRIATIONS.—Section
6 402 of the Cranston-Gonzalez National Affordable Hous-
7 ing Act (42 U.S.C. 12870) is amended by inserting after
8 subsection (c) the following new subsection:

9 “(d) YOUTHBUILD PROGRAM.—There are authorized
10 to be appropriated for activities under subtitle D
11 \$50,000,000 for fiscal year 1995 and \$50,000,000 for fis-
12 cal year 1996. Any amounts appropriated pursuant to this
13 subsection shall remain available until expended.”.

14 **SEC. 523. COMMUNITY DEVELOPMENT BLOCK GRANTS AND**
15 **SECTION 108 LOAN GUARANTEES.**

16 (a) COMMUNITY DEVELOPMENT BLOCK GRANTS.—
17 The second sentence of section 103 of the Housing and
18 Community Development Act of 1974 (42 U.S.C. 5303)
19 is amended to read as follows: “For purposes of assistance
20 under section 106, there are authorized to be appropriated
21 \$4,400,000,000 for fiscal year 1995 and \$4,500,000,000
22 for fiscal year 1996.”.

23 (b) LIMITATION ON LOAN GUARANTEES.—The fifth
24 sentence of section 108(a) of the Housing and Community
25 Development Act of 1974 (42 U.S.C. 5308(a)) is amended

1 to read as follows: “Notwithstanding any other provision
2 of law and subject only to the absence of qualified appli-
3 cants or proposed activities and to the authority provided
4 in this section, to the extent approved or provided in ap-
5 propriation Acts, the Secretary shall enter into commit-
6 ments to guarantee notes and obligations under this
7 section with an aggregate principal amount of
8 \$2,054,000,000 for fiscal year 1995 and \$2,054,000,000
9 for fiscal year 1996.”.

10 (c) SPECIAL PURPOSE GRANTS.—Section 107 of the
11 Housing and Community Development Act of 1974 (42
12 U.S.C. 5307) is amended by striking “SEC. 107” and all
13 that follows through the end of paragraph (1) of sub-
14 section (a) and inserting the following:

15 “SEC. 107. (a) AUTHORIZATION OF APPROPRIA-
16 TIONS.—

17 “(1) IN GENERAL.—There are authorized to be
18 appropriated for each of fiscal years 1995 and 1996,
19 \$60,000,000, for grants under subsection (b). Of
20 such amounts—

21 “(A) \$7,000,000 shall be available in each
22 such year for grants under subsection (b)(1);

23 “(B) such sums as may be necessary shall
24 be available in each such year for grants under
25 subsection (b)(2);

1 “(C) \$7,000,000 shall be available in each
2 such year for grants under subsection (b)(3);

3 “(D) \$28,000,000 shall be available in
4 each such year for grants under subsection
5 (b)(4);

6 “(E) \$6,000,000 shall be available in each
7 such year for grants under subsection (b)(5);

8 “(F) \$2,000,000 shall be available in each
9 such year for grants under subsection (b)(6);

10 “(G) \$8,000,000 shall be available in each
11 such year for grants under subsection (b)(7);

12 “(H) such sums as may be necessary shall
13 be available in each such year for grants under
14 subsection (b)(8); and

15 “(I) \$3,000,000 shall be available in each
16 such year for grants under subsection (c).”.

17 **SEC. 524. ECONOMIC DEVELOPMENT GRANTS.**

18 Section 108(q) of the Housing and Community De-
19 velopment Act of 1974 (42 U.S.C. 5308) is amended by
20 adding at the end the following new paragraph:

21 “(5) AUTHORIZATION OF APPROPRIATIONS.—
22 There are authorized to be appropriated for grants
23 under this subsection \$100,000,000 for fiscal year
24 1995 and \$100,000,000 for fiscal year 1996.”.

1 **SEC. 525. NEIGHBORHOOD REINVESTMENT CORPORATION.**

2 The first sentence of section 608(a)(1) of the Neigh-
3 borhood Reinvestment Corporation Act (42 U.S.C.
4 8107(a)) is amended to read as follows: “There are au-
5 thorized to be appropriated to the corporation to carry out
6 this title \$35,000,000 for fiscal year 1995 and
7 \$35,000,000 for fiscal year 1996.”.

8 **SEC. 526. JOHN HEINZ NEIGHBORHOOD DEVELOPMENT**
9 **PROGRAM.**

10 Section 123(g) of the Housing and Urban-Rural Re-
11 covery Act of 1983 (42 U.S.C. 5318 note) is amended to
12 read as follows:

13 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
14 are authorized to be appropriated to carry out this section
15 \$10,000,000 for fiscal year 1995 and \$10,000,000 for fis-
16 cal year 1996.”.

17 **SEC. 527. COLONIAS ASSISTANCE PROGRAM.**

18 (a) AUTHORIZATION OF APPROPRIATIONS.—There
19 are authorized to be appropriated for grants under section
20 205 of this Act \$100,000,000 for each of fiscal years 1995
21 and 1996. Any amount appropriated to carry out this sec-
22 tion shall remain available until expended.

23 (b) ALLOCATION OF FUNDS.—Of the amounts appro-
24 priated under subsection (a) for any fiscal year—

1 (1) 80 percent shall be available for grants to
2 establish model programs under subsection (c) of
3 section 205; and

4 (2) 20 percent shall be available for competitive
5 grants under subsection (e) of section 205.

6 **SEC. 528. NEW TOWNS DEMONSTRATION PROGRAM FOR**
7 **EMERGENCY RELIEF OF LOS ANGELES.**

8 (a) INSURANCE AUTHORITY.—The first sentence of
9 section 1104(d) of the Housing and Community Develop-
10 ment Act of 1992 (42 U.S.C. 5318 note) is amended to
11 read as follows: “To the extent provided in appropriation
12 Acts, the Secretary shall use any authority provided pur-
13 suant to section 531(b) of the National Housing Act to
14 enter into commitments to insure loans and mortgages
15 under this section in fiscal years 1995 and 1996 with an
16 aggregate principal amount not exceeding such sums as
17 may be necessary to carry out the demonstration under
18 this title.”.

19 (b) SECOND MORTGAGE ASSISTANCE.—Section
20 1105(e) of the Housing and Community Development Act
21 of 1992 (42 U.S.C. 5318 note) is amended to read as
22 follows:

23 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
24 are authorized to be appropriated for fiscal years 1995

1 and 1996 such sums as may be necessary for providing
2 assistance under this section.”.

3 (c) COMMUNITY DEVELOPMENT ASSISTANCE.—Sec-
4 tion 1106(h) of the Housing and Community Development
5 Act of 1992 (42 U.S.C. 5318 note) is amended to read
6 as follows:

7 “(h) AUTHORIZATION OF APPROPRIATIONS.—There
8 are authorized to be appropriated for fiscal years 1995
9 and 1996 such sums as may be necessary for assistance
10 under this section.”.

11 **SEC. 529. FHA MORTGAGE INSURANCE AGGREGATE LIMIT.**

12 Section 531(b) of the National Housing Act (12
13 U.S.C. 1735f–9(b)) is amended to read as follows:

14 “(b) Notwithstanding any other provision of law and
15 subject only to the absence of qualified requests for insur-
16 ance, to the authority provided in this Act, and to the limi-
17 tation in subsection (a), the Secretary shall enter into
18 commitments to insure mortgages under this Act with an
19 aggregate principal amount of \$105,000,000,000 during
20 fiscal year 1995 and \$91,000,000,000 during fiscal year
21 1996.”.

1 **SEC. 530. GNMA MORTGAGE-BACKED SECURITIES GUARAN-**
2 **TEE LIMIT.**

3 Section 306(g)(2) of the Federal National Mortgage
4 Association Charter Act (12 U.S.C. 1721(g)(2)) is amend-
5 ed to read as follows:

6 “(2) Notwithstanding any other provision of law and
7 subject only to the absence of qualified requests for guar-
8 antees, to the authority provided in this subsection, and
9 to the extent of or in such amounts as any funding limita-
10 tion approved in appropriation Acts, the Association shall
11 enter into commitments to issue guarantees under this
12 subsection in an aggregate amount of \$130,000,000,000
13 during fiscal year 1995 and \$130,000,000,000 during fis-
14 cal year 1996. There are authorized to be appropriated
15 to cover the costs (as such term is defined in section 502
16 of the Congressional Budget Act of 1974) of guarantees
17 issued under this Act by the Association such sums as may
18 be necessary for each of fiscal years 1995 and 1996.”.

19 **SEC. 531. EXCLUSION OF GNMA FROM HUD PERSONNEL**
20 **CEILINGS.**

21 Section 502(a) of the Housing Act of 1948 (12
22 U.S.C. 1701c(a)) is amended by adding at the end the
23 following new sentence: “Notwithstanding any other provi-
24 sion of law, employees of the Government National Mort-
25 gage Association Department in the Department of Hous-
26 ing and Urban Development shall not be considered em-

1 ployees of the Department for purposes of any limitation
2 on the number of employees of the Department.”.

3 **SEC. 532. HUD RESEARCH AND DEVELOPMENT.**

4 The second sentence of section 501 of the Housing
5 and Urban Development Act of 1970 (12 U.S.C. 1701z–
6 1) is amended to read as follows: “There are authorized
7 to be appropriated to carry out this title \$40,000,000 for
8 fiscal year 1995 and \$42,000,000 for fiscal year 1996.”.

9 **SEC. 533. RESIDENTIAL LEAD-BASED PAINT HAZARD RE-**
10 **DUCTION.**

11 (a) TARGET HOUSING HAZARD REDUCTION.—

12 (1) AUTHORIZATION OF APPROPRIATIONS.—

13 Section 1011(p) of the Housing and Community De-
14 velopment Act of 1992 (42 U.S.C. 4852(p)) is
15 amended to read as follows:

16 “(p) AUTHORIZATION OF APPROPRIATIONS.—For the
17 purposes of carrying out this Act, there are authorized to
18 be appropriated \$100,000,000 for fiscal year 1995 and
19 \$110,000,000 for fiscal year 1996.”.

20 (2) TECHNICAL ASSISTANCE AND CAPACITY
21 BUILDING.—Section 1011(g) of the Housing and
22 Community Development Act of 1992 (42 U.S.C.
23 4852(g)) is amended—

24 (A) in paragraph (1)—

1 (i) in the first sentence, by inserting
2 before the period at the end the following:
3 “, by providing technical assistance, either
4 directly, or indirectly under contracts or
5 otherwise”; and

6 (ii) by striking the second sentence;
7 and

8 (B) by striking paragraph (2) and insert-
9 ing the following new paragraph:

10 “(2) SET-ASIDE.—Of the total amount ap-
11 proved in appropriation Acts under subsection (p),
12 there shall be set aside to carry out this subsection
13 \$3,000,000 for fiscal year 1995 and \$3,000,000 for
14 fiscal year 1996.”.

15 (b) HUD RESEARCH.—Section 1053 of the
16 Housing and Community Development Act of 1992
17 (42 U.S.C. 4854b) is amended to read as follows:

18 **“SEC. 1054. FUNDING.**

19 “Of the total amount approved in appropriation Acts
20 under section 1011(p), there shall be set aside to carry
21 out this part \$5,000,000 for fiscal year 1995 and
22 \$5,000,000 for fiscal year 1996.”.

1 **SEC. 534. FAIR HOUSING INITIATIVES PROGRAM.**

2 Section 561(g) of the Housing and Community De-
3 velopment Act of 1987 (42 U.S.C. 3616 note) is amended
4 to read as follows:

5 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
6 are authorized to be appropriated to carry out the provi-
7 sions of this section \$26,000,000 for fiscal year 1995 and
8 \$27,000,000 for fiscal year 1996, of which—

9 “(1) not less than \$9,000,000 for fiscal year
10 1995 and \$9,000,000 for fiscal year 1996 shall be
11 for private enforcement initiatives authorized under
12 subsection (b), divided equally between activities
13 specified under subsection (b)(1) and those specified
14 under subsection (b)(2);

15 “(2) not less than \$3,000,000 for fiscal year
16 1995 and \$3,000,000 for fiscal year 1996 shall be
17 for qualified fair housing enforcement organizations
18 authorized under subsection (c)(1);

19 “(3) not less than \$7,000,000 for fiscal year
20 1995 and \$7,000,000 for fiscal year 1996 shall be
21 for the creation of new fair housing enforcement or-
22 ganizations authorized under subsection (c)(2); and

23 “(4) not less than \$7,000,000 for fiscal year
24 1995 and \$7,000,000 for fiscal year 1996 shall be
25 for education and outreach programs authorized
26 under subsection (d), to be divided equally between

1 activities specified under subsection (d)(1) and those
2 specified under subsections (d)(2) and (d)(3).

3 Any amount appropriated under this section shall remain
4 available until expended.”.

5 **SEC. 535. NATIONAL AMERICAN INDIAN HOUSING COUNCIL.**

6 There is authorized to be appropriated for assistance
7 for the National American Indian Housing Council
8 \$1,000,000 for fiscal year 1995 and \$1,000,000 for fiscal
9 year 1996, for providing training and technical assistance
10 to Indian Housing Authorities.

11 **SEC. 536. HOUSING ASSISTANCE COUNCIL.**

12 There is authorized to be appropriated for assistance
13 for the Housing Assistance Council \$5,000,000 for fiscal
14 year 1995 and \$5,000,000 for fiscal year 1996, for provid-
15 ing training, technical assistance, and financial assistance
16 to develop affordable housing in rural areas.

17 **SEC. 537. FLEXIBLE BLOCK GRANT ASSISTANCE UNDER**

18 **STEWART B. MCKINNEY HOMELESS ASSIST-**

19 **ANCE ACT.**

20 Title IV of the Stewart B. McKinney Homeless As-
21 sistance Act (42 U.S.C. 1111361 et seq.) is amended by
22 inserting after section 401 the following new section:

23 **“SEC. 402. AUTHORIZATION OF APPROPRIATIONS.**

24 “There are authorized to be appropriated—

1 “(1) \$735,000,000 for fiscal year 1995 for
2 grants in accordance with section 312(b) of the
3 Housing and Community Development Act of 1995;
4 and

5 “(2) \$925,000,000 for fiscal year 1996 for
6 grants under this subtitle.

7 Any amounts appropriated pursuant to this section shall
8 remain available until expended.”.

9 **SEC. 538. SECTION 8 ASSISTANCE FOR SINGLE ROOM OCCU-**
10 **PANCY DWELLINGS.**

11 Section 451(a) of the Stewart B. McKinney Homeless
12 Assistance Act (42 U.S.C. 11401(a)), as so redesignated
13 by section 311(3) of this Act, is amended to read as
14 follows:

15 “(a) INCREASE IN BUDGET AUTHORITY.—The budg-
16 et authority available under section 5(c) of the United
17 States Housing Act of 1937 for assistance under section
18 8(e)(2) of such Act (as in effect immediately before Octo-
19 ber 1, 1991) is authorized to be increased by
20 \$200,000,000 on or after October 1, 1994, and by
21 \$200,000,000 on or after October 1, 1995.”.

22 **SEC. 539. SECTION 8 ASSISTANCE FOR SHELTER PLUS CARE**
23 **SINGLE ROOM OCCUPANCY DWELLINGS.**

24 Section 452 of the Stewart B. McKinney Homeless
25 Assistance Act, as amended by section 322 of this Act,

1 is further amended by adding at the end the following new
2 subsection:

3 “(p) AUTHORIZATION OF APPROPRIATIONS.—For
4 purposes of providing assistance under this section, there
5 are authorized to be appropriated \$75,000,000 for fiscal
6 year 1995 and \$75,000,000 for fiscal year 1996.”.

7 **SEC. 540. RURAL HOMELESSNESS PROGRAM.**

8 (a) AUTHORIZATION OF APPROPRIATIONS.—Section
9 453(l)(1) of the Stewart B. McKinney Homeless Assist-
10 ance Act (42 U.S.C. 11408(l)(1)), as so redesignated by
11 section 811(3) of this Act, is amended to read as follows:

12 “(1) IN GENERAL.—There are authorized to be
13 appropriated to carry out this section \$30,000,000
14 for fiscal year 1995 and \$30,000,000 for fiscal year
15 1996.”.

16 **SEC. 541. INTERAGENCY COUNCIL ON THE HOMELESS.**

17 Section 208 of the Stewart B. McKinney Homeless
18 Assistance Act (42 U.S.C. 11318) is amended to read as
19 follows:

20 **“SEC. 208. AUTHORIZATION OF APPROPRIATIONS.**

21 “There are authorized to be appropriated to carry out
22 this title \$1,609,890 for fiscal year 1995 and \$1,658,187
23 for fiscal year 1996.”.

1 **SEC. 542. CHAIRPERSON OF INTERAGENCY COUNCIL ON**
2 **THE HOMELESS.**

3 Section 202(b) of the Stewart B. McKinney Homeless
4 Assistance Act (42 U.S.C. 11312(b) is amended to read
5 as follows:

6 “(b) CHAIRPERSON AND VICE CHAIRPERSON.—

7 “(1) CHAIRPERSON.—The Council shall elect a
8 Chairperson from among its members, who shall
9 have a term of 2 years. A member of the Council by
10 reason of any of paragraphs (1) through (16) of
11 subsection (a) who serves as Chairperson for a term
12 may not be elected to serve as Chairperson for the
13 succeeding term. The preceding sentence shall not
14 apply to any member serving as Chairperson on the
15 date of the enactment of the Housing and Commu-
16 nity Development Act of 1994.

17 “(2) VICE CHAIRPERSON.—The Vice Chair-
18 person of the Council shall have a term of 2 years
19 and shall be—

20 “(A) the Secretary of Housing and Urban
21 Development, if such Secretary is not elected as
22 the Chairperson of the Council; or

23 “(B) elected by the Council from among its
24 members, if the Secretary of Housing and
25 Urban Development is elected as the Chair-
26 person of the Council.”.

1 **SEC. 543. EXTENSION OF INTERAGENCY COUNCIL ON THE**
 2 **HOMELESS.**

3 Section 209 of the Stewart B. McKinney Homeless
 4 Assistance Act (42 U.S.C. 11319) is amended by striking
 5 “October 1, 1994” and inserting “October 1, 1996”.

6 **SEC. 544. FEDERAL EMERGENCY MANAGEMENT AGENCY**
 7 **FOOD AND SHELTER PROGRAM.**

8 Section 322 of the Stewart B. McKinney Homeless
 9 Assistance Act (42 U.S.C. 11352) is amended to read as
 10 follows:

11 **“SEC. 322. AUTHORIZATION OF APPROPRIATIONS.**

12 “There are authorized to be appropriated to carry out
 13 this title \$130,000,000 for fiscal year 1995 and
 14 \$130,000,000 for fiscal year 1996.”.

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